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Countervailing Measures

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SUBSIDIES

Updating Notification Pursuant to Article XVI:1 of
the GATT 1994 and Article 25 of the SCM Agreement

EUROPEAN COMMUNITIES

Addendum

The following addendum to the notification of the European Community relates to subsidy programmes of the **United Kingdom**.

UNITED KINGDOM

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1. Advanced Technology Programme (ATP)

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To encourage pre-competitive collaborative research in new technologies; to build up UK capabilities; and to accelerate the application of these technologies.

4. Background authority for the scheme

Science and Technology Act 1965

5. To whom and how the subsidy is provided

At least three independent firms or organizations must participate - at least two should be capable of exploiting the results - of a bid for the 50 per cent of eligible costs of a project available under this scheme. The scheme was closed to new applicants from 1 September 1993.

6. Total amount budgeted

£5,000

7. Duration of programme

Until existing projects are complete.

8. Assessment of trade effects

Minimal, since the scheme is aimed at improving new technology in SMEs.

2. Business Connect Wales

1. Form of subsidy

Support for the establishment, and infrastructure development, of the Business Connect Wales network

2. Period covered by notification

1999-2000

3. Policy objectives

- (i) Single point of telephone entry to the Business Connect Wales business support infrastructure for anyone seeking help to establish a new business, or for established businesses needing information and advice on available services. Business Connect Wales encompasses a variety of local and national organizations operating in partnership through eight local consortia, via over 30 local centres.
- (ii) Through Business Connect Wales, the Welsh Office supports the development of new services, to be delivered locally, targeting companies with the potential to grow.

4. Background authority for the scheme

1. Employment and Training Act 1973, section 2(2) as substituted by Section 25 of the Employment Act 1988.

2. Industrial Development Act 1982

5. To whom and how the subsidy is provided

Via the Training and Enterprise Councils, and the Development Board for Rural Wales, through funding contracts.

6. Total amount budgeted

£2m

7. Duration of programme

Indefinite

8. Assessment of trade effects

Minimal.

3. Business Links

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

Business Links are part of a broad strategy to improve the competitiveness of UK firms and to help them respond to the challenges of the next decade in terms of their products, technology, management, quality, marketing and customer focus.

Business Links provide a single point of access for business support services - a national network of local partnerships between Training and Enterprise Councils (TECs), Chambers of Commerce, Enterprise Agencies, Local Authorities, DTI and other providers of business support.

4. Background authority for the scheme

The proposal to develop a national network of One Stop Shops (now branded Business Link) was announced by the President of the Board of Trade in July 1992. A prospectus was issued in December 1992 inviting bids for a competition to select up to 15 pilots.

Statutory basis for activities are covered by Section 2(1) and 2(2) of the Employment and Training Act 1973 as substituted by section 25 of the Employment Act 1988. Also Section 11 of the Industrial Development Act 1982.

5. To whom and how the subsidy is provided

Most of the budget is allocated through Government Offices' contracts with TECs to ensure a consistent level of high quality business support by TECs and Business Links across the country. A new funding regime was introduced from 1 April 1997 and is working well. This radical reduction in the number of central DTI programmes, together with the simplification of funding streams to TECs and Business Links, has reduced bureaucracy and enables much greater local discretion.

The DTI contribution to the Local Competitiveness Budget continues to be complemented by a contribution from the Department for Education and Employment, mainly for Investors in People.

6. Total amount budgeted

£117.1m

7. Duration of programme

Ongoing

8. Assessment of trade effects

Minimal

4. Civil Aircraft Research And Demonstration Programme (Carad)

1. Form of subsidy

Grant

2. Period of notification

1999-2000

3. Policy objectives

To maintain the competitiveness of the UK aeronautics industry by ensuring that essential aircraft technologies are available in the long term CARAD helps UK industry overcome the problem of financing long term research.

4. Background authority for the scheme

Civil Aviation Act 1982

5. To whom and how the subsidy is provided

Support for up to 50 per cent of eligible costs for collaborative projects is available in core civil aircraft technology sectors. Beneficiaries include companies, research establishments and universities.

6. Total amount budgeted

£19,997,000

7. Duration of programme

The Programme has formal EC approval for the three years 1 April 1996 to 31 March 1999. UK ministerial approval has been given for funding until March 2001, subject to review in April 1999.

8. Assessment of trade effects

The objective is to support long term research in essential aircraft technologies, not to assist production. CARAD does not form part of the Airbus programme

5. Cardiff Bay Development Corporation

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To regenerate Cardiff's designated development area, which is polluted and socially deprived, and to encourage the development of existing and new industry and commerce.

4. Background authority for the scheme

Local Government, Planning and Land Act 1980

5. To whom and how the subsidy is provided

Aid is offered for investment up to 30 per cent for SMEs and 20 per cent for others. Such grants are taxable. Grant may be required to be repaid on sale of capital assets which are acquired, built or improved with grant support.

6. Total amount budgeted

£2,426,000

7. Duration of programme

Until 31 March 2000

8. Assessment of trade effects

None, since the intention of the scheme is to improve the business.

6. Company Development Programme (Ni)

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

Assisting companies to develop a structured company development plan which addresses training and development needs, particularly at management and organization levels. The emphasis is on linking training and development to business performance and ultimately make Northern Ireland industry more competitive.

4. Background authority for the scheme

The Employment and Training Act (NI) 1950 (as amended).

5. To whom and how the subsidy is provided

The scheme is available to IDB client and LEDU growth companies in manufacturing or tradable services and hotels registered with the NITB.

Companies are encouraged to work towards the Investors in People standard and National Vocational Qualifications, and eligible costs include the achievement of accreditation and qualifications.

6. Total amount budgeted

£12.048m

7. Duration of programme

Indefinite

8. Assessment of trade effects

None. The scheme aims to increase the competitiveness and efficiency of companies in an area suffering chronic under-employment.

7. Compete Programme (NI)

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To stimulate manufacturing businesses in Northern Ireland to develop innovative and high technology products and processes within a strategic business framework, that improves the national and international competitiveness of the business.

4. Background authority for the scheme

The Industrial Development (Northern Ireland) Order 1982

5. To whom and how the subsidy is provided

The scheme is available to businesses engaging in manufacturing and tradable services including software. Businesses in Northern Ireland receive up to 50* per cent assistance for approved project definition and up to 40* per cent for all other project developments.

* These are gross figures and not net grant equivalent figures.

6. Total amount budgeted

£4,006,762

7. Duration of programme

Indefinite

8. Trade effect

Minimal

8. Development Board For Rural Wales

1. Form of subsidy

Counselling and rent reductions

2. Period covered by notification

1999-2000

3. Policy objectives

The Development Board for Rural Wales was dissolved in 1999 and its activities taken over by the WDA.

4. Background authority for the scheme

Development of Rural Wales Act 1976

5. To whom and how the subsidy is provided

No longer operating.

6. Total amount budgeted

£Nil

7. Duration of programme

Ended

8. Assessment of trade effects

None.

9. Energy Efficiency Best Practice Programme

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

The aim of the scheme is to encourage the development and take-up of energy efficient technologies and techniques. The bulk of the scheme involves the appraisal and dissemination of information on energy efficiency measures. Under the R&D element of the scheme, support is offered for basic R&D, leading to the acquisition of basic knowledge required for subsequent development of energy efficiency measures which do not lead directly to any new product or process as an immediate outcome.

4. Background authority for the scheme

Science and Technology Act 1965

5. To whom and how the subsidy is provided

Support of up to 49 per cent is offered to two or more companies working together, except where the European Union has agreed lower limits. Up to 100 per cent may also be made available for fundamental research to increase scientific knowledge or provide generic background information to underpin subsequent basic research. Such support for fundamental research is only offered to research organizations, and not to manufacturers.

6. Total amount budgeted

£16 million

7. Duration of programme

Indefinite.

8. Assessment of trade effects

None, since the programme is an information transfer scheme.

10. Environmental Technology Best Practice Programme

1. Form of subsidy

The purpose of the programme would primarily be to promote the adoption of best practice in environmental technology by potential users and suppliers. A major proportion of the programme spend would be in order for the contractor to acquire and disseminate authoritative validated information in order to meet its technology transfer objectives. The programme is NOT primarily one of grant assistance to firms but there would be provision for limited payment to firms which agree to co-operate in technology transfer activity and for R&D support. R&D support amounts to less than 10 per cent of programme spend.

2. Period covered by notification

1999-2000

3. Policy objectives

Horizontal - The programme will concentrate on the provision of information rather than financial aid to firms. Its overall aim will be to stimulate an effective business response to environmental developments in order to improve industrial competitiveness and reduce pollution. It will encourage technology transfer and make best practice more widely known to potential users and suppliers of environmental technology.

4. Background authority for the scheme

Science and Technology Act 1965

5. To whom and how the subsidy is provided

SMEs with technology transfer projects received up to 10 per cent aid.

6. Total amount budgeted

£0.1m

7. Duration of programme

1994-2000

8. Trade effects

Minimal

11. Environmental Technology Innovation Scheme

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To promote innovation and competitiveness in environmental technology

4. Background authority for the scheme

Science and Technology Act 1965

5. To whom and how the subsidy is provided

Closed to new applications - September 1993

6. Total amount budgeted

£Nil

7. Duration of programme

Final project was completed in 1998/99.

8. Assessment of trade effects

Minimal

12. Eureka (UK)

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

EUREKA aims to encourage and assist collaborative research and development projects between European countries, research organizations and higher education institutes. EUREKA's overall aim is to enhance productivity and competitiveness in world markets. EUREKA has no rigid programme, and projects can be in any technology area; but each project aims to achieve a significant advance in products, processes or services for the market through mechanisms of European cooperation.

4. Background authority for the scheme

Network covering 25 countries plus the European Commission, set in place in 1985 by members signing Hanover Declaration

5. To whom and how the subsidy is provided

EUREKA is not in itself a funding mechanism for supporting EUREKA projects. However, in common with most other EUREKA member states, the UK provides funding support to project participants in some instances. But many projects go ahead without public funding. SMEs, research institutions and universities are eligible for funding up to 50 per cent of eligible costs. Large companies are more likely to be offered funding if they are partnering a number of UK SMEs in a cluster project. All types of organizations are eligible for 50 per cent of putting projects together, e.g. researching potential partners and visiting them to discuss potential collaboration.

6. Total amount budgeted

£3.766m

7. Duration of programme

No fixed cut-off date.

8. Assessment of trade effects

Collaborative R&D schemes were established to assist UK industry in maintaining and improving its competitive position by undertaking pre-competitive innovative R&D projects which would, after DTI support ended, lead to the development of improved processes and products.

13. Expert Help1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To encourage SMEs to use external experts when to assist them with strategic management and technical problems.

4. Background authority for the scheme

Industrial Development Act 1982

5. To whom and how the subsidy is provided

SMEs, through a 50 per cent grant

6. Total amount budgeted

£Nil

7. Duration of programme

Until 31 March 2000

8. Assessment of trade effects

None

14. General Industrial Collaborative Projects (GICP)

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To encourage collaborative research projects that will benefit many companies and in particular SMEs.

4. Background authority for the scheme

Science and Technology Act 1965

5. To whom and how the subsidy is provided

To companies involved in all areas of technology, at up to a maximum of 50 per cent of eligible costs; but this may be on a tapering basis, i.e. the intensity will decrease in successive years; e.g. 1/3 in year two and 1/4 in year three.

6. Total amount budgeted

£24,000

7. Duration of programme

No fixed termination date, but closed to new applicants from September 1993.

8. Assessment of trade effects

None, since the scheme is directed at research for SMEs

15. Highlands And Islands Enterprise

1. Form of subsidy

Consultancy; grants; loans; acquisitions

2. Period covered by notification

1999-2000

3. Policy objectives

Highlands and Islands Enterprise is an agency of central government, established to further the social and economic development of the Highlands and Islands of Scotland, and to enhance skills, establish self-employment, promote industrial efficiency and competitiveness and improve the environment of that area.

4. To whom and how the subsidy is provided

HIE exercises its powers through a number of individual schemes. Many of these do not provide state aid to enterprises; and others are *de minimis*. Two: Finance for Business and Property Provision, involve the provision of discretionary financial assistance to the private sector to enable new businesses to start up and expand; in terms of 20 year loans at commercial rate for premises and equipment; 3-4 year interest relief grants; of up to 50 per cent building grants for properties where the total project cost is below £80,000; and to ensure that such establishment is not inhibited by the lack of suitable business accommodation, through new build or by acquisition or improvement of existing premises.

5. Total amount budgeted

£80.59m

6. Duration of programme

Indefinite

7. Assessment of trade effects

None, since the HIE's objective is to revitalise a socially and economically deprived area.

8. Background/authority for the scheme

Enterprise and New Town (Scotland) Act 1990.

16. Highland Equity Capital

1. Form of subsidy

Investment

2. Period covered by notification

1999-2000

3. Policy objectives

A regional scheme targeting investments in new growing SME's for diversification, innovation and technology development in Objective 1 area of the Highlands.

4. Background authority for the scheme

Section 48(4) of the Finance Act 1982

5. To whom and how the subsidy is provided

Investments are normally by way of discretionary equity funding between £30,000 - £50,000. These investments would normally be made as redeemable preference shares. Investments in firms employing up to 50 persons and having a turnover of up to ECU 7m, or a balance sheet total of up to ECU 5m and not more than 0 per cent owned by one or more companies not falling within this definition, except public investment corporations, venture capital companies or, provided no control is exercised, institutional investors.

6. Total amount budgeted

£Nil

7. Duration of programme

Initially 8 years but open ended

8. Assessment of trade effects

Minimal to date, one investment of £50,000 has been made, but company involved has since ceased trading.

17. Highland Opportunity Limited

1. Form of subsidy

Loan

2. Period covered by notification

1999-2000

3. Policy objectives

A regional scheme targeting viable SME's encouraging growth in Objective 1 area of the Highlands

4. Background authority for the scheme

The Secretary of State for Scotland approved Highland Opportunity Limited as a Local Enterprise Trust under Section 48(4) of the Finance Act 1982.

5. To whom and how the subsidy is provided

Discretionary reduced interest loans linked to free technical and business advice. The scheme is only available for viable SME's located in the Objective I area of the Highlands and normally of less than 30 employees.

6. Total amount budgeted

The scheme is "open ended".
£226,625

7. Duration of programme

The scheme is "open ended"

8. Assessment of trade effects

Minimal.

18. Highland Prospect Limited

1. Form of subsidy

Loan

2. Period covered by notification

1999-2000

3. Policy objectives

To secure major investment prospects in the Highlands of Scotland.

4. To whom and how the subsidy is provided

Any business enterprise in the Highland area can apply for consideration for a low interest secured loan.

5. Total amount budgeted

£756,000

6. Duration of programme

Indefinite

7. Background authority for the scheme

Section 83 – The Local Government (Scotland Act)

8. Trade effects

Minimal

19. Home Shipbuilding Credit Guarantee Scheme

1. Form of subsidy

Loan Guarantees

2. Period covered by notification

1999-2000

3. Policy objectives

The objective of the scheme is to finance the construction, completion or alteration of ships and mobile offshore installations at a yard first approved by the Secretary of State, through guarantee of the repayment of loans (and the repayment of related interest) made to UK bodies.

4. Background authority for the scheme

Section 10 of the Industry Act (as amended by section 23 and 24 of the Industry Act 1979)

5. To whom and how the subsidy is provided

Shipowners, by way of a fixed rate of interest (7.5 per cent on loan repayment periods up to 8.5 years; commercial interest reference rate for loan repayment periods between 8.5 and 12 years) and interest equalisation arrangements with the Banks.

6. Total amount budgeted

As a loan guarantee Scheme, the HCS only has expenditure if a loan defaults and the DTI Guarantee is called. There are no payments and committed expenditure.

7. Duration of programme

To continue in its current form until an OECD agreement on Shipbuilding Subsidies is ratified or the Understanding on Shipbuilding Subsidies is adopted.

8. Assessment of trade effects

The aim of the scheme is to ensure that UK buyers of ships have financing arrangements available to them which are as good as in other countries which are signatory to the OECD Understanding, and hence that UK yards are not relatively disadvantaged.

20. Industrial Development Board (IDB) - Provision Of Sites And Standard Advance Factories

1. Form of subsidy

IDB finances the acquisition of sites and building of standard advance factories which are then provided to client companies of IDB and LEDU at current market value.

2. Period covered by notification

1999-2000

3. Policy objectives

To provide sites and factories for client companies of IDB and LEDU

4. Background authority for the scheme

The Industrial Development (NI) Order 1982

5. To whom and how the subsidy is provided

IDB finances the acquisition of sites and building of standard advance factories which are then provided to client companies of IDB and LEDU at current market value. Provision is an ongoing process with a number of sites and factories remaining unleased or not sold at any given time.

6. Total amount budgeted

£11m

7. Duration of programme

Indefinite

8. Assessment of trade effects

Minimal

21. Industrial Development Board (IDB) - Property Development Agreement

1. Form of subsidy

Property Development Agreements:

- Provide for a Government contribution towards the total development costs of industrial or office-type buildings for use by companies supported by IDB

2. Period covered by notification

1999-2000

3. Policy objectives

Encourage the private sector to construct buildings for occupation by IDB assisted projects.

4. Background authority for the scheme

The Industrial Development (NI) Order 1982

5. To whom and how the subsidy is provided

The subsidy is paid to property developers usually as a lump sum on satisfactory completion of the building.

6. Total amount budgeted

£2.03m

7. Duration of programme

Ongoing

8. Assessment of trade effects

Minimal.

22. Industrial Development Board (IDB) - Shortfall Guarantee Scheme

1. Form of subsidy

Guarantee

2. Period covered by notification

1999-2000

3. Policy objectives

To encourage the sale of an existing IDB factory to a new or sitting tenant, or a new advance factory to a prospective investor.

4. Background authority for the scheme

The Industrial Development (NI) Order 1982

5. To whom and how the subsidy is provided

Guarantees are provided to Banks funding the purchase of IDB owned factories by client companies of IDB and LEDU. The Guarantee provides that in the event of default by the company, IDB will cover any shortfall between the sale price of the property and the company's outstanding indebtedness to the Bank. Actual expenditure under the scheme only occurs when a guarantee is called by a bank in the event of foreclosure. The potential maximum is the value of the mortgage.

6. Total amount budgeted

£Nil

7. Duration of programme

The scheme started in 1982 and the intention is to continue with it indefinitely or until there are no more IDB factory tenants.

8. Assessment of trade effects

Minimal.

23. Inward Investment Support Programme

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To encourage inward investment and job creation by Large Companies (i.e. those exceeding the various criteria which define SMEs, and in particular the 250 employee criterion)

4. Background authority for the scheme

Local Government (Scotland) Act 1994, Section 171

5. To whom and how the subsidy is provided

To inward investing companies. Wage subsidies for recruits who were previously unemployed and grants for work on buildings, roads and landscaping.

6. Total amount budgeted

£600,000

7. Duration of programme

Indefinite

8. Assessment of trade effects

To date - none

24. Launch Aid

1. Form of subsidy

Repayable but risk-sharing government investment

2. Period covered by notification

1999-2000

3. Policy objectives

Design, development and education aid, labour materials and overheads.

4. Background authority for the scheme

Civil Aviation Act 1982

5. To whom and how the subsidy is provided

Assistance towards research and development is reimbursable and is pegged against sales of airframes, engines and their supplies applied throughout their lifetime. The recipients are manufacturers of civil aircraft and aircraft engines.

6. Total amount budgeted

£50m

7. Duration of programme

Indefinite

8. Assessment of trade effects

Collaborative R&D schemes were established to assist UK industry in maintaining and improving its competitive position by undertaking pre-competitive innovative R&D Programmes which would, after DTI support ended, lead to the development of improved processes and products.

25. Leader II Programme In Wales

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

The objective of the scheme is to implement the wider EC Leader initiative in Wales; it combines funds from ERDF, ESF and EAGGF. Leader aims to implement integrated rural development throughout the Community. With the intention of benefiting local SME and agricultural communities.

4. Background authority for the scheme

The National Assembly for Wales

5. To whom and how the subsidy is provided

SMEs and farms may attract up to Ecu 100,000 each, in the form of technical support, vocational training, development of tourism initiatives, marketing and consultancy.

6. Total amount budgeted

1999 = £1,893,342

7. Duration of programme

November 1994 - December 1999

8. Assessment of trade effects

None. The intention is to revitalise rural areas.

26. Link Initiative

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

The scheme encourages collaborative research between industry and academia. It operates via managed programmes in 5 broad areas: Electronics/communications/IT; Food/Agriculture; Biosciences/Medical; Materials/Chemicals; and Energy/Engineering. Currently 22 programmes are open to new project proposals, while 10 programmes are open to new project proposals, while 10 programmes have been completed and 24 are closed to new proposals but still have live projects.

4. Background authority for the scheme

Science and Technology Act 1965

5. To whom and how the subsidy is provided

Aid of up to 50 per cent of total eligible costs is given to a variety of recipients, which include industrial organizations, research associations, government bodies and individual companies.

6. Total amount budgeted

£37.647m

7. Duration of programme

Indefinite

8. Assessment of trade effects

Collaborative R&D schemes were established to assist UK industry in maintaining and improving its competitive position by undertaking pre-competitive innovative R&D projects which would, after DTI support ended, lead to the development of improved processes and products.

27. Local Challenge

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To provide permanent and systematic improvements in the capabilities and competencies of SMEs through assisting local partnerships to design high quality business support facilities.

4. Background authority for the scheme

Section 8 of the Industrial Development Act 1982

5. To whom and how the subsidy is provided

Intermediate organizations, including Local Authorities, Chambers of Commerce and Training and Enterprise Councils may receive grant amounting to less than £1,000 per SME assisted under the scheme. Assistance to SMEs is discretionary, within EU state aid rules; it includes training and consultancy and gross aid intensities of 50 per cent or less.

6. Total amount budgeted

£23M

7. Duration of programme

1997-2000

8. Assessment of trade effects

The intention of the scheme is to enable intermediary bodies to offer assistance to local SMEs, enabling them to become more commercially viable. Trade effects are minimal.

28. LEDU - Selective Financial Assistance

1. Form of subsidy

Grant, Loan, Equity

2. Period covered by notification

1999-2000

3. Policy objectives

- (i) to promote the creation of more start-up businesses capable of survival and growth;
- (ii) to encourage and accelerate the development of companies capable of profitable growth and international competitiveness.

4. Background authority for the scheme

The Industrial Development (Northern Ireland) Order 1982

5. To whom and how the subsidy is provided

SMEs in NI - targeted on new projects which have the prospect of viability, and on existing businesses which can demonstrate that they are export orientated, provide a substitute for imports, offer a novel product or service and/or satisfy an unfilled local market opportunity. The forms of aid are all discretionary rather than automatic and LEDU's input is restricted to the minimum amount necessary to ensure that the project can proceed.

6. Total amount budgeted

£9,575,023

7. Duration of programme

Indefinite

8. Assessment of trade effects

No direct effects

29. LEDU - Buying Time

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To enable a firm which is experiencing difficulty to examine its viability.

4. Background authority for the scheme

The Industrial Development (Northern Ireland) Order 1982

5. To whom and how the subsidy is provided

SMEs in NI - a grant of up to £2,000 per job for a maximum of 3 months to enable a business to continue operating pending resolution of its future. Buying Time may be provided only once to a company.

6. Total amount budgeted

£121,400

7. Duration of programme

Indefinite

8. Assessment of trade effects

Annual survey of client performance and rolling schedule of evaluations.

Analysis reveals a progressive reduction in business closures.

30. LEDU - R&D

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To encourage research and development activity among SMEs in NI

4. Background authority for the scheme

The Industrial Development (Northern Ireland) Order 1982

5. To whom and how the subsidy is provided

SMEs in NI attract up to 50 per cent funding to a maximum grant of £35,000 for applied research.

6. Total amount budgeted

£149,862

7. Duration of programme

Indefinite

8. Assessment of trade effects

No short or medium term effects, since the objective is to encourage SMEs to undertake research.

31. LEDU - Property Development Scheme

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To encourage private sector involvement in the provision of industrial premises.

4. Background authority for the scheme

The Industrial Development (Northern Ireland) Order 1982

5. To whom and how the subsidy is provided

Assistance is selected and calculated on a shortfall basis; that is, LEDU conducts its own development appraisal of each project application and offers the amount of financial assistance which from this appraisal is the minimum required for the project to proceed.

6. Total amount budgeted

£908,675

7. Duration of programme

Indefinite

8. Assessment of trade effects

No direct effects

32. LEDU - Local Enterprise Programme

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To assist with the capital costs of developing a local enterprise agency

4. Background authority for the scheme

The Industrial Development (Northern Ireland) Order 1982

5. To whom and how the subsidy is provided

A grant not exceeding 50 per cent of cost to assist local groups with the purchase and refurbishment of premises for use by small businesses

6. Total amount budgeted

£446,493

7. Duration of programme

Indefinite

8. Assessment of trade effects

None made

33. NETS (New Entrants Training Scheme)

1. Form of subsidy

Direct assistance

2. Period covered by notification

1999-2000

3. Policy objectives

To provide apprenticeship training in selected rural crafts and skill areas.

4. Background authority for the scheme

DETR.

5. To whom and how the subsidy is provided

A subsidised training scheme for young people employed in rural craft businesses. The scheme is delivered by the Countryside Agency with twelve weeks of training over a two/three year period.

6. Total amount budgeted

£380,000.

7. Duration of programme

Indefinite.

8. Assessment of trade effects

The assistance provided increases the level of skills and also diversifies the types of skills that can be undertaken.

34. Offshore Supplies And Service Company Assistance For Research

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

The scheme is intended to encourage research and development of new products and techniques for use in oil and gas exploration, development and production

4. To whom and how the subsidy is provided

SMEs in the oil and gas industry may develop ideas in drilling and production technology. Projects must involve significant innovation; maximum support is 50 per cent grant.

5. Total amount budgeted

£1.9 million

6. Duration of programme

March 2001

7. Assessment of trade effects

None

35. Open Courses

1. Form of subsidy

Direct assistance

2. Period covered by notification

1999-2000

3. Policy objectives

To provide modular skill enhancement training in selected rural crafts and skills.

4. Background authority for the scheme

DETR.

5. To whom and how the subsidy is provided

A subsidised training programme for people working in craft trades located in rural areas. Modular skill enhancement training provided by the Countryside Agency.

6. Total amount budgeted

£80,000.

7. Duration of programme

Indefinite.

8. Assessment of trade effects

The assistance provided increases the level of skills and also diversifies the types of skills that can be undertaken.

36. Redundant Building Grant

1. Form of subsidy

Grant.

2. Period covered by notification

1999-2000.

3. Policy objectives

The intention of the Redundant Building Grant scheme is to create new job opportunities in rural areas experiencing social or economic difficulties by encouraging the private sector to bring back into commercial use buildings which would otherwise remain redundant (and possibly decline into dereliction).

4. To whom and how the subsidy is provided

To any private sector individual or firm, including sole traders, partnerships, limited companies and co-operatives. Grants provided up to 25 per cent of eligible costs to a maximum of £62,500 and exceptionally up to 30 per cent up to a maximum of £75,000 to projects located in the Commission's Rural Development Areas (RDAs).

5. Total amount budgeted

£3M

6. Duration of programme

Indefinite.

8. Assessment of trade effects

The aim of the scheme is to encourage existing industry or new businesses to locate, or remain, in rural areas and to create new job opportunities by bringing redundant buildings into commercial use.

37. RDP Economic

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To address the needs of a Rural Development Area that have been identified through a strategic operating plan by tackling economic diversification or regeneration and improve the conditions for business growth.

4. Background authority for the scheme

To concentrate a large part of the resources in the areas of greatest need, identified as the Rural Development Areas in 1984 (using a combination of census data and local information), through the mechanism of the Rural Development Programme.

5. To whom and how the subsidy is provided

Into partnerships with local authorities, English Partnerships, Rural Community Councils and a range of public and private organizations via the Rural Development Programme administered in the Commission's Rural Development Areas.

6. Total amount budgeted

£5M

7. Duration of programme

Indefinite.

8. Assessment of trade effects

None, since the aim of the scheme is to improve the quality of life in the Commission's Rural Development Areas by providing for the needs of those who live and work in country areas, ensuring that they are not disadvantaged as a result of rurality by contributing to the economic development of these areas.

38. Regional Enterprise Grants For Innovation (RIG Only)

1. Form of subsidy

Grants for innovation projects.

2. Period covered by notification

1999-2000

3. Policy objectives

The scheme offers assistance for SME innovation projects in Development, Intermediate, EC Objective 2, Task Force and City Challenge Areas and areas affected by colliery closures, and requires evidence of additionality. The scheme now operates only in Wales.

4. Background authority for the scheme

DTI White Paper 'Department for Enterprise' 1 April 1988. Inner Urban Areas Act 1978.

RIN was closed for applications in England in September 1996 and in Scotland in December 1995. In Wales, it was brigaded with SMART, SPUR and SPUR Plus under the "Smart Wales" banner and continues to be offered as a discreet scheme.

RIN's "sister scheme", Regional Investment Grants (RIG) was merged with Regional Selective Assistance in January 1997 in Scotland and Wales and from 1 April 1997 in England.

5. To whom and how the subsidy is provided

Regional Innovation Grants (RIN) are available to SMEs at 50 per cent of expenditure on the introduction of new products or processes, up to £25K.

6. Total amount budgeted

£0.342m

7. Duration of programme

Indefinite

8. Assessment of trade effects

The intention of the scheme is to help companies in a socially and economically deprived area become competitive on a par with manufacturers and service providers elsewhere.

39. Regional Selective Assistance In Great Britain

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To assist economic development in areas of special hardship

4. Background authority for the scheme

The Industrial Development Act 1982

5. To whom and how the subsidy is provided

The scheme is available to manufacturing and service sector firms of any size based in or moving into the Assisted areas of Great Britain.

The financial assistance is available on a discretionary basis in the form of a grant phased against achievement of progress on the project (jobs & capital costs). The UK authorities must submit a map showing those areas of the country that they wish to accord assisted area status to the Competition Directorate of the EC Commission, at regular intervals.

6. Total amount budgeted

£263.5m

7. Duration of programme

Indefinite

8. Assessment of trade effects

This scheme is designed to help areas of special difficulty to compete on level terms with more advantaged regions.

40. SCEEMAS

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

The scheme is intended to provide incentives to SMEs to help them improve their environmental performance by hiring external consultants to carry out an environmental review, implement an environmental management system and register sites under EMAS (the EC Eco-Management and Audit Scheme) or gain certification to ISO 14001.

4. Background authority for the scheme

Industrial Development Act

5. To whom and how the subsidy is provided

SMEs can claim 40 per cent of consultancy costs for Stage One of the scheme (The Environmental Review); 40 per cent can be claimed for Stage Two (Implementing the Environmental management system) and 50 per cent + 10 per cent from Stages One and Two can be claimed for Stage Three (producing an externally verified Environmental Statement)

6. Total amount budgeted

£ Nil

7. Duration of programme

This scheme is no longer active.

8. Assessment of trade effects

None, since the scheme is intended to help existing companies work more efficiently in an environmental context.

41. Science And Technology Programme (START) (NI)

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To encourage strategic and pre-competitive R&D within Higher Education Institutions and industry in areas relevant to industrial growth.

4. Background authority for the scheme

The Industrial Development (NI) Order 1982

5. To whom and how the subsidy is provided

NI companies and universities, with priorities given to those in software engineering; telecommunications; electronics; biotechnology; new materials and their processing; and advanced manufacturing methods; attract up to 50 per cent for collaborative projects and up to 100 per cent for strategic research which will subsequently be made generally available.

6. Total amount budgeted

£2,702,822

7. Duration of programme

Indefinite

8. Assessment of trade effects

None. All expenditure on the programme is for basic research, as defined.

42. Scottish Enterprise

1. Form of subsidy

Consultancy and practical assistance

2. Period covered by notification

1999-2000

3. Policy objectives

Scottish Enterprise is an agency of central government established to further the development of Scotland's economy, enhance skills, establish self-employment, promote industrial efficiency and competitiveness and improve the environment

4. Total amount budgeted

£430 million

5. Duration of programme

Indefinite

6. Assessment of trade effects

None. The objective is maintenance and enhancement of employment opportunities.

7. Background and authority for the subsidy

Section 2(4) (f) of the Scottish Development Agency Act 1975 and the Enterprise and New Town (Scotland) Act 1990.

8. To whom and how the subsidy is provided

Grants, loans, guarantees, etc. paid to firms.

43. Sector Challenge

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To encourage sectoral projects to raise the competitiveness of sectors of business.

4. Background authority for the scheme

Science and Technology Act 1965 Development of Tourism Act 1969
Industrial Development Act 1982 Employment and Training Act 1973
Food Industry Development Scheme 1997

5. To whom and how the subsidy is provided

To sectoral business intermediaries organizations, who will normally be obtaining at least matching funding from the private sector. Grants are paid as expenditure is incurred during the course of a project.

6. Total amount budgeted

Nil.

7. Duration of programme

This scheme is no longer active.

8. Assessment of trade effects

The programme is providing limited direct support to sectoral business organizations for a wide variety of projects from raising people skills, to the transfer of technology, to improving access to finance, to developing market entry strategies. The projects are directed at helping SMEs in the relevant sectors. The trade effect is therefore likely to be minimal.

44. Shipbuilding Intervention Fund

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

The purpose of the scheme is to enable UK shipbuilding yards to secure contracts against international competition in order to secure jobs.

4. Background authority for the scheme

The EC 7th Directive to Aid on Shipbuilding and the Industrial Development Act 1982, Sections 7 and 8.

5. To whom and how the subsidy is provided

By grant paid directly to the shipyard, in instalments pro rata with the payment of the purchaser's instalment and when each building stage has been reached. Ships take on average one year to build. Ten per cent is retained until the final construction costs are known.

6. Total amount budgeted

£3.99 million

7. Duration of programme

Until 31 December 2000

8. Assessment of trade effects

The aim of the scheme is to secure jobs in the UK.

45. Single Regeneration Budget

1. Form of subsidy

Grant.

2. Period covered by notification

1999-2000

3. Policy objectives

The Single Regeneration Budget is not sector-specific; it enables regeneration policy to build on past strengths, with the objective of building on initiatives proposed by local partners; be responsive to local needs and priorities; and attract private and public investment.

4. Background authority for the scheme

Housing Grants, Construction and Regeneration Act 1996.

5. To whom and how the subsidy is provided

The grant provided under the Single Regeneration Budget supports a wide range of activities, including development funds offering grants and loans to new and existing small businesses; consultancy, advisory services and training; the provision of business facilities and joint marketing initiatives; and the provision of managed workspace/office areas.

6. Total amount budgeted

£30M

7. Duration of programme

Indefinite

8. Assessment of trade effects

None, since the intention is to rectify disadvantages in employment opportunities due to external factors.

46. Small Firms Loan Guarantee Scheme

1. Form of subsidy

Guarantee

2. Period covered by notification

1999-2000

3. Policy objectives

To help meet the gap in the market, where small businesses with viable business proposals are unable to raise finance because of a lack of security.

4. Background authority for the scheme

Section 8, Industrial Development Act 1982

5. To whom and how the subsidy is provided

Nineteen lenders authorised to make loans available under the Scheme. Guarantees of 70 per cent or 85 per cent provided to lenders on eligible loans to eligible small firms.

6. Total amount budgeted

£41.9M

7. Duration of programme

Indefinite

8. Assessment of trade effects

Last evaluation report (1992) identified that for every £1 of scheme loan, after two years there is a £4 increase in sales and £0.7 increase in profits. Changes to eligibility conditions in 1993 and 1996 excluded certain business activities where a high level of local displacement had been identified.

47. SMART (formerly known as Small Firms Merit Award for Research and Technology)

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

Smart, SMART: SCOTLAND (in Scotland) and SMART (in Wales) aim help small to medium sized businesses (small businesses only in Scotland and Wales, where medium sized firms are helped through different schemes) improve their competitiveness by developing new, highly innovative products and processes to the benefit of the national economy, and to stimulate the creation of new viable and durable technology-based businesses. Additionally in Scotland, the scheme aims to promote and facilitate the commercialisation of the Scottish science base within academia.

NB: In Wales, SMART is part of the SMART WALES initiative which includes two related schemes, SPUR and RIN.

4. To whom and how the subsidy is provided

In England and Northern Ireland:

Firms with fewer than 50 employees and individuals may apply for grants of up to £45,000 towards feasibility studies into innovative technology. Firms with up to 250 employees may apply for grants of up to ECU 200,000 (including any grant already received for feasibility studies) to develop - up to pre-production prototype stage new - products or processes which demonstrate significant technological advances.

In Scotland:

Firms with fewer than 50 employees may receive up to £45,000 towards the start-up of innovation technology projects with commercial promise, and a further £88,391 (at 1998 rates) for continued development, thus bringing the total to 200,000 ECU.

In Wales:

Firms with under 50 employees, and individuals who intend to start a business if they win an award, may receive up to £45,000 for a technical and commercial feasibility study, and a further £60,000 for further development, up to pre-production prototype stage.

5. Total amount budgeted

£568M

6. Duration of programme

Indefinite

7. Assessment of trade effects

Minimal; the objective of the scheme is to stimulate research among SMEs.

8. Background and authority for the subsidy

The Science and Technology Act 1965

48. Special Support Programme For Peace And Reconciliation In NI

1. Form of subsidy

Interest subsidy scheme

2. Period covered by notification

1999-2000

3. Policy objectives

The aim is to create a positive investment climate which will contribute to economic development growth and employment, especially in the most deprived areas and thereby facilitate reconciliation in Northern Ireland.

4. Background authority for the scheme

Article 7 of the Industrial Development Order (NI) 1982 and Article 11 of the Tourism (NI) Order 1992.

5. To whom and how the subsidy is provided

The provision of an interest relief subsidy at 4 per cent for a maximum of 5 years on approved loans for small and medium - sized enterprises.

6. Total amount budgeted

£23.6m over duration of programme.

7. Duration of programme

Open from 1.4.96 to 31.3.97, with a subsidy payable on qualifying loans for a 5 year period.

8. Assessment of trade effects

A subsidy allocation of £23m has levered in £164m of EIB loans and total investment in excess of £400m.

49. UK Coal R&D Programme

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

The scheme was set up to encourage research and development leading to the more economic and environmentally acceptable use of coal.

4. Background authority for the scheme

Science and Technology Act 1965

5. To whom and how the subsidy is provided

Organizations developing the use of solid fuels in an environmentally acceptable manner, and collaborative projects between companies and research organizations, may attract up to 50 per cent of costs of research (or more, where the Community Framework for State Aids for Research and Development applies).

6. Total amount budgeted

£1,716k

7. Duration of programme

Indefinite

8. Assessment of trade effects

None. The scheme is intended to promote the development of environmentally-friendly energy sources in opposition to traditional sources.

50. UK New And Renewable Energy Programme

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

The scheme was developed to promote research and development in the renewable energies field, with the intention of producing compatible, economic and feasible sources of energy for the benefit of the environment; and encouraging their uptake.

4. Background authority for the scheme

Science and Technology Act 1965

5. To whom and how the subsidy is provided

Researchers and manufacturers of alternative energy equipment attract 25-50 per cent of costs; and possibly a greater percentage where fundamental research, as guided in the Community State Aid Framework for Research and Development, is involved.

6. Total amount budgeted

£11M

7. Duration of programme

Indefinite

8. Assessment of trade effects

None. The intention of the scheme is to bring new energy sources into line with traditional sources of energy.

51. Urban Development Grant Scheme

1. Form of subsidy

Owner occupier projects - new build 30 per cent refurbishment 50 per cent of eligible costs. Speculative developments - shortfall identified by an investment appraisal up to maximum of 30 per cent of total development costs. Enhanced rates in Making Belfast Work of up to 50 per cent.

2. Period covered by notification

1999 -2000

3. Policy objectives

Economic and Physical regeneration of inner city areas by stimulation of private enterprise and investment.

4. Background authority for the scheme

The Social Need (Northern Ireland) Order 1986.

5. To whom and how the subsidy is provided

To owner occupiers/developers in the form of grant payments.

6. Total amount budgeted

£5M

7. Duration of programme

Indefinite

8. Assessment of trade effects

None

52. Use Of Discretionary Resources By Training And Enterprise Councils (TECs) In Wales

1. Form of subsidy

Direct Grant/Loan

2. Period covered by notification

1999-2000

3. Policy objectives

Regional. TECs use their discretionary resources to provide training to support local objectives. These objectives are focused upon the promoting and diversification of economic activity in areas in Wales which have been subject to high levels of structural unemployment and social deprivation for many years as a result of the decline of the traditional industries of coal mining, steel production and hill farming. Assistance is provided both to indigenous enterprises and inward investors often in conjunction with other forms of assistance from other agencies and, of course, subject to National Government Expenditure limits and EC regional aid ceilings. Within this, TECs specialise in support for training or retraining programmes, particularly where this helps to reduce unemployment.

4. To whom and how the subsidy is provided

Use of TEC discretionary resources is for determination by each TEC subject to quality assurance on a Regional basis by the Welsh Office under the terms of the annual operating agreement.

5. Total amount budgeted

£7,022,267

6. Duration of programme

Indefinite

7. Background and authority for the subsidy

Section 2 of the Employment and Training Act 1973, and Sections 11 and 12 of the Industrial Development Act 1982.

8. Trade effects

Minimal

53. WDA Business Advisory Services

1. Form of subsidy

Programmes to assist the growth of Welsh SMEs - no direct grant is involved

2. Period covered by notification

1999-2000

3. Policy objectives

Providing assistance to Welsh SMEs by the development of the right climate for the removal of barriers to their growth

4. Background authority for the scheme

Welsh Development Agency Act 1975

5. To whom and how the subsidy is provided

Programmes to assist the growth of Welsh SMEs - no direct grant is involved

6. Total amount budgeted

£ Nil

7. Duration of programme

No longer in operation.

8. Assessment of trade effects

New and safeguarded jobs	£1,045
New business gained	£42,200,000

54. WDA Equity Investment

1. Form of subsidy

Equity Investment

2. Period covered by notification

1999-2000

3. Policy objectives

The scheme is intended to provide venture and development investment funds for new and expanding companies in Wales where there is an equity gap, i.e. funds are not available in the private sector.

4. Background authority for the scheme

Welsh Development Agency Act 1975

5. To whom and how the subsidy is provided

All sectors of manufacturing and services (except media, agriculture and horticulture, or films meeting a purely local need) may apply. The WDA operates on a commercial investor principle and will carry out a detailed assessment of the need for the proposed investment and the impact if the investment is not made. Investment will be to maximum of 30 per cent of voting equity, with the package tailored to the company's prospects and objectives. Size of equity is usually between £5-500K. The WDA will also take account of the benefits such an investment will offer to the development or regeneration of the Welsh economy.

6. Total amount budgeted

£Nil

7. Duration of programme

No longer in operation.

8. Assessment of trade effects

None. the intention of the scheme is to bring the economy of a depressed area into line with the rest of the UK

55. WDA Property Development Grant

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

The scheme was set up to encourage additional private sector investment in industrial and commercial property development throughout Wales, except DBRW area.

4. Background authority for the scheme

Welsh Development Agency Act 1975

5. To whom and how the subsidy is provided

Grant is available to private sector development companies at the minimum necessary to bring the project forward. Grant is based on the gap between the cost of development and the completed value. The maximum grant is 30 per cent of the project costs

6. Total amount budgeted

£ 1,202,000

7. Duration of programme

Under review

8. Assessment of trade effects

None. The object of the scheme is to attract private investment from elsewhere to a deprived area.

56. WDA Rent Concessions

1. Form of subsidy

Reduction or waiving of rent for periods of up to 4 years

2. Period covered by notification

1999-2000

3. Policy objectives

The scheme's aim is to utilise industrial accommodation which has proved difficult to let at market rates throughout Wales except DBRW area.

4. Background authority for the scheme

Welsh Development Agency Act 1975

5. To whom and how the subsidy is provided

The shortfall is recouped through imposition of higher rents later. Clawback is instigated if the lease is terminated within 7 years

6. Total amount budgeted

£ Nil

7. Duration of programme

No longer in operation.

8. Assessment of trade effects

None. The intention of the scheme is to attract viable businesses which are already established, and the whole sum invested is recouped.

57. WDA Technology Growth Fund

1. Form of subsidy

Venture funding

2. Period covered by notification

1999-2000

3. Policy objectives

The scheme is essentially a seed capital fund for the development of innovative ideas and products based on technological advances

4. Background authority for the scheme

Welsh Development Agency Act 1975

5. To whom and how the subsidy is provided

Welsh-based enterprises attract up to £150K or 50 per cent of the cost of a project, whichever is lower, for the development of innovative ideas and products based on technological advances. TGF support is provided in the form of a loan secured on Intellectual Property Rights (IPR). The Fund seeks a commercial return on its investments through interest charges, royalties on sales and/or an option to subscribe for equity. A key feature of the investment mechanism is that the timing of capital repayments, interest, royalties and capital profits match the investee company's ability to pay.

6. Total amount budgeted

£288,334

7. Duration of programme

Under review

8. Assessment of trade effects

None. The scheme is intended to develop technical advances in Wales.

58. Industrial Development Board - Selective Financial Assistance

1. Form of subsidy

Grant, Loans, Shares

2. Period covered by notification

1999-2000

3. Policy objectives

To assist economic development in Northern Ireland

4. Background authority for the scheme

The Industrial Development (Northern Ireland) Order 1982

5. To whom and how the subsidy is provided

Companies in the manufacturing and tradeable services sectors

6. Total amount budgeted

£95.99m

7. Duration of programme

Indefinite

8. Assessment of trade effects

The scheme is designed to help an area of special difficulty compete on level terms with more advantaged regions.

59. Mid-Wales Development Grant Scheme

1. Form of subsidy

Grant

2. Period covered by notification

1999-2000

3. Policy objectives

To encourage new employment opportunities in Powys, and parts of Gwynedd and Ceredigion Counties in the manufacturing sector and some service sector projects.

4. Background authority for the scheme

Local Government and Housing Act 1989

5. To whom and how the subsidy is provided

To private sector manufacturing and other projects involving expenditure on fixed assets in the relevant area which create new or safeguard existing employment, in tranches on completion or progression of capital expenditure and job creation/safeguarding with a 12 month interval between tranches

6. Total amount budgeted

£0.66 million payments

7. Duration of programme

Indefinite

8. Assessment of trade effects

Minimal, as the scheme is aimed at developing enterprises in an area which has only a limited labour-force and relatively few enterprises and is remote from main markets.

I. NOTIFICATION OF FISHERIES SUBSIDIES 1998/99

1. Grants Towards the Acquisition of Freshwater Fishing Vessels and Engines (Northern Ireland)

1. Name of subsidy

Grants Towards the Acquisition of Freshwater Fishing Vessels and Engines (Northern Ireland).

2. Form of subsidy

Grants.

3. Amount of subsidy

Grant of 25 per cent of approved expenditure incurred in providing a freshwater fishing vessel the overall length of which does not exceed 7.924 metres (26ft.) or in providing a new engine for such.

Total Cost per Budget Year:

See Financial Table.

5. Purpose of subsidy

To encourage the modernisation of the freshwater fishing fleet and to sustain the local boat building industry.

6. Duration of subsidy

Indefinite.

7. Trade effects

Unavailable.

2. Grants Towards Fish Farming (Northern Ireland).

1. Name of subsidy

Grants Towards Fish Farming (Northern Ireland).

2. Form of subsidy

Grants.

3. Amount of subsidy

Grant of 30 per cent of approved costs of works and facilities for the purpose of fish farming.

Total Cost per Budget Year:

See Financial Table.

4. Purpose of subsidy

To encourage the establishment of fish farms and hatcheries which supply fish for the table. The scheme assists the trout and salmon farming industry and encourages the development of mariculture, e.g. oysters and mussels.

5. Duration of subsidy

Indefinite.

6. Trade effects

Unavailable.

3. Aid to Highlands and Islands Fish Farmers and Processors

1. Name of subsidy

Aid to Highlands and Islands Fish Farmers and Processors.

2. Form of subsidy

Grants and Loans under Section 8 of the Enterprise and New Towns (Scotland) Act 1990.

3. Amount of subsidy

Variable dependent on the viability of the project. Projects of up to £60,000 costs may be assisted by grants of up to 50 per cent and larger projects by grants of up to 20 per cent. Buildings can be assisted by grants of up to 35 per cent. Loans at variable concessionary rates of interest can be given on their own or in conjunction with grants normally up to 50 per cent of total project costs. For smaller projects in fragile areas and in exceptional circumstances assistance can be given of up to 70 per cent of total project costs.

Total Cost per Budget Year:

See Financial Table.

4. Purpose of subsidy

To maintain and increase employment and incomes in fragile areas.

5. Duration of subsidy

Indefinite.

6. Trade effects

Unavailable.

4. Highland Prospect Limited: Fish Processing and Fish Farming Loans.

1. Name of subsidy

Highland Prospect Limited: Fish Processing and Fish Farming Loans.

2. Form of subsidy

Discretionary reduced interest loans linked to free technical and business advice.

3. Amount of subsidy

Interest rate set on a case by case basis, normally at a minimum of 7.5 per cent or at no more than 2 per cent below usual commercial interest rates available on the open market at any one time. Loans vary from £31,000 up to £250,000 in any one investment, repayable over three or up to seven years. Public sector investment no more than 50 per cent of the total value of the investment.

Total Cost per Budget Year:

Anticipated annual loan provision is limited to £500,000 per year.

4. Purpose of subsidy

To assist the limited financial capacity of SMEs trading as fish processing and fish farms, thereby supporting sustainable regional development opportunities and related employment, particularly in peripheral locations.

5. Duration of subsidy

Indefinite, Subject to available funds.

6. Trade effects

Unavailable.

5. Highland Opportunity Limited: Fishing Vessel, Fish Processing and Fish Farming Loans.

1. Name of subsidy

Highland Opportunity Limited: Fishing Vessel, Fish Processing and Fish Farming Loans.

2. Form of subsidy

Discretionary reduced interest loans linked to free technical and business advice.

3. Amount of subsidy

Interest rate normally 5 per cent p.a. or at around 2 per cent p.a. below usual commercial interest rates. For young people aged 18-25 rate is normally 4 per cent p.a. or at around 4 per cent p.a. below usual commercial interest rates. Except in certain circumstances loans generally unsecured. Amounts vary from £1,000 to £30,000 normally repayable over three to seven years.

Total Cost per Budget Year:

Anticipated annual loan provision is £50,000 for fishing vessels, £25,000 for fish processing and £5000 for fish farms (total £80,000 per year). The grant equivalent of this loan provision is thought to be some £2,000 per year.

1995/96	provisional £25,000 (2 low interest loans).
1996/97	£24,525 (4 low interest loans).
1997/98	provisional £36,800 (3 low interest loans).
1998/99	estimated £60,000 (10 low interest loans).
1999/2000	£30,000 (3 low interest loans).

4. Purpose of subsidy

To assist the limited financial capacity of SMEs trading as fishing vessels, fish processing and fish farms, thereby supporting sustainable regional development opportunities and related employment, particularly in peripheral locations.

5. Duration of subsidy

Indefinite, subject to available funds and annual reviews.

6. Trade effects

Unavailable.

6. Aid to Highlands and Islands Fishermen.

1. Name of subsidy

Aid to Highlands and Islands Fishermen.

2. Form of subsidy

Grants and Loans under Section 8 of the Enterprise and New Towns (Scotland) Act 1990.

3. Amount of subsidy

Variable dependent on the viability of the project under the following headings:

New vessels over 12 metres

Grants of up to 20 per cent where SFIA assistance was not available. Otherwise variable concessionary rate loans effectively up to £500,000 (our maximum discretionary limit). No vessel would be assisted without aggregation of existing pressure stock licences.

New vessels under 12 metres

Grant and loan based on a minimum private contribution of 30 per cent from the applicant. Grant level being 20 per cent and loan the remainder over a period of up to 15 years at concessionary rates of interest.

Second-hand vessels

Concessionary loans of up to 50 per cent of the cost within a ceiling of £500,000. Loans normally to be repaid within 10 years. All assistance for second-hand vessels is subject to a condition that the vessel will not normally be greater than 10 years of age.

Port infrastructure

Assistance to small piers, harbours and fish markets with grant aid of up to 30 per cent.

Total Cost per Budget Year:

See Financial Table

4. Purpose of subsidy

To maintain and increase employment and incomes in fragile areas.

5. Duration of subsidy

Indefinite.

6. Trade effects

Unavailable.

7. Safety Improvements on Fishing Vessels

1. Name of subsidy

Safety Improvements on Fishing Vessels.

2. Form of subsidy

Grants.

3. Amount of subsidy

Vessels between 12 - 33 metres in length	30 per cent
Vessels over 33 metres in length	10 per cent

Total Cost per Budget Year:

1993/94	£1,713,778
1994/95	£2,245,317
1995/96	£2,297,136
1996/97	£791,007
1997/98	£395,853
1998/99	£304,789
1999/2000	£229,908

£52,488.79 of the above expenditure was paid under the 1987 fishing vessel grant schemes in respect of a new vessel. The rest was payable under the 1993 and 1995 fishing vessel safety improvement grant schemes.

4. Purpose of subsidy

To enable applicants to make essential safety improvements in order to obtain Department of Transport Safety Certificate.

5. Duration of subsidy

1 January 1992 - 31 December 1999.

6. Trade effects

Unavailable.

8. The Fish Producer's Organization (Formation Grants) Scheme.

1. Name of subsidy

The Fish Producer's Organization (Formation Grants) Scheme.

2. Form of subsidy

Grant (50 per cent recoverable from FEOGA).

3. Amount of subsidy

The annual aid granted cannot exceed the lesser of 3 per cent, 2 per cent and 1 per cent respectively of the value of the Organization's marketed production over a previous three year period or of 60 per cent, 40 per cent and 20 per cent of its administrative expenses in the first, second and third year respectively.

Total Cost per Budget Year:

See Financial Table.

4. Purpose of subsidy

To encourage the development of recognised Fish Producers' organizations in the UK and facilitate their operation in the early years.

5. Duration of subsidy

First three years following recognition.

6. Trade effects

Unavailable.

9. Relief from Excise Duty on Mineral Oil used on Commercial Marine Voyages.

1. Name of subsidy

Relief from Excise Duty on Mineral Oil used on Commercial Marine Voyages.

2. Form of subsidy

Heavy Oil may be shipped duty-free direct from warehouse to entitled vessel OR repayment of excise duty may be claimed on all mineral oil used as fuel on board entitled vessel.

3. Amount of subsidy

Duty rates in pence per litre are:

Old Rate (17/3/98-9/3/99)		New Post Budget Rate (from 6pm 9/3/99)	
2.82	gas oil	3.03	
2.18	heavy fuel oil	2.65	
49.26	leaded petrol	52.88	
43.99	unleaded petrol	47.21	

Total Cost per Budget Year:

Figures no longer available.

4. Purpose of subsidy

To implement Directive 92/81/EC.

5. Duration of subsidy

Subject to EC review.

6. Trade effects

Unavailable.

10. Fisheries & Aquaculture (Wales).

1. Name of subsidy

Fisheries & Aquaculture (Wales).

2. Form of subsidy

Grants.

3. Amount of subsidy

Up to 5 per cent of approved expenditure.

Total Cost per Budget Year:

See financial Table.

4. Purpose of subsidy

To provide matching finance for FIFG aided fishery products.

5.. Duration of subsidy

Until 31 December 1999.

6. Trade effects

Unavailable.

11. Small Firms Loan Guarantee Scheme(SFLGS).

1. Name of subsidy

Small Firms Loan Guarantee Scheme(SFLGS).

2. Form of subsidy

Government Loan.

Total Cost per Budget Year:

No specific budget for the sector.

3. Amount of subsidy

Guarantees on loans between £5,000 and £100,000 for businesses trading less than two years, and up to £250,000 for businesses trading two years or more. Repayment terms between two and ten years. The Department charges a premium of 0.5 per cent on fixed interest rate loans, and 1.5 per cent on variable interest rate loans. Interest rates are decided by the lender, who also usually charge an arrangement fee.

4. Purpose of subsidy

To provide an additional source of finance to small firms with viable business proposals, where conventional loans are not available, due to a lack of security or business track record. By providing a government guarantee of 70 per cent (or 85 per cent for businesses which have been trading for 2 years or more) to banks and other financial institutions against default by the borrower, the Scheme encourages them to lend.

5. Duration of subsidy

Indefinite.

6. Trade effects

Unavailable.
