

GENERAL AGREEMENT
ON TARIFFS AND TRADE

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SUBSIDIES

Notifications Pursuant to Article XVI:1

FINLAND

The following notification updating document L/7162/Add.7, dated 28 December 1994, has been received from the Permanent Mission of Finland.

This document supplements the basic notification (15 February 1992) including the response to the questionnaire on subsidies notifiable under Article XVI:1 (GATT document L/7162).

The figures reported for years 1989-1993 are *from the government accounts*. Figures for 1992 have been revised in this report.

If any changes have occurred, the information on the reported programmes have been revised accordingly. The figures for the year 1993 have been added to the tables (amount of the subsidy). In addition to that, an entirely new aid programme has been notified: interest rate subsidy for SMEs (see item VII).

INDUSTRIAL SUBSIDIES

I. Promotion of export marketing

Amount of subsidy (FIM million)

	1989	1990	1991	1992	1993
Grants	150.0	172.0	186.5	146.0	251.4¹
Loans	32.2	54.7	33.6	19.5	18.0

¹Of which 174.6 FIM million to manufacturing industries.

II. Energy grantsAmount of subsidy (FIM million)

	1989	1990	1991	1992	1993
Grants	42.6	48.8	23.3	22.6	82.3

III. Interest rate subsidy for energy investments aimed at energy conservation, new energy technology and promoting the use of domestic fuels and natural gasAmount of subsidy (FIM million)

	1989	1990	1991	1992	1993
Grants	6.6	10.0	9.7	10.3	8.9

IV. Guarantees for small and medium size industryAmount of subsidy (FIM million) (the total amount of loans guaranteed)

	1989	1990	1991	1992	1993
Loan guarantees	218	250	268	446	330
(Number of loans guaranteed)	(300 loans)	(314 loans)	(379 loans)	(650 loans)	(650 loans)

V. Support for technological research and developmentAmount of subsidy (FIM million)

	1989	1990	1991	1992	1993
Grants	182.0	212.3	236.6	308.7	446.3 ²
Loans	180.0	201.0	216.0	248.0	190.0

²Of which 285.6 FIM million to manufacturing industries.

VI. Export Credits

Amount of interest rate subsidy (FIM million)

	1989	1990	1991	1992	1993
Subsidies	39.7	83.4	180.1	379.0	359.7

VII. Interest rate subsidy for SMEs

1. *Nature and extent of the subsidy*

Background and information

The purpose of the programme is to help small and medium sized firms to tackle the severe financial problems that emerged during the years 1991-1992, when the rate of interest was extremely high. The programme is of temporary nature designated for the year 1993-1994. The programme is administered by the Ministry of Trade and Industry.

Amount of interest rate subsidy (FIM million)

	1989	1990	1991	1992	1993
Subsidies	-	-	-	0.3	285.6 ³

2. *Effect of subsidy*

The effect of the subsidy has not been calculated.

³Of which 218.7 FIM million to manufacturing industries.

Notification of Agricultural Subsidies

FIM million

Form of Subsidy	1989	1990	1991	1992	1993 (preliminary)
I. Regional support for agriculture total	698.7	734.9	715.8	...	
1. Subsidy based on the number of domestic animals	180.5	191.8	188.8	207.0	200
2. Milk production subsidy	252.5	265.4	240.8	211.2	210
3. Meat production subsidy	162.0	187.6	215.9	215.0	205
4. Subsidy on rye	9.3	11.5	6.7	abolished	
5. Subsidy on starch potato	9.1	7.8	10.4	8.0	8
6. Subsidy on feed grains	42.0	45.7	33.6	27.5	27.5
7. Freight subsidies for milk, meat and eggs	35.5	17.6	12.9	12.5	12.5
8. Regional subsidy for sugar beet production	7.8	7.5	6.7	6.7	7
II. Export subsidies for agricultural products	1,627.3	2,407.7	3,059.8	2,315.0	1,994
III. Export refund for food industry products	413.1	469.5	415.0	445.0	?