

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SUBSIDIES

Notifications Pursuant to Article XVI:1

Addendum

BELGIUM

A. COAL INDUSTRY

I. Nature and extent of the subsidy

(a) Background and authority

The legal basis for intervention in behalf of the coal industry is to be found in the following Decisions of the Commission of the European Communities:

1. Decision No. 3/71/ECSC of 22 December 1970 concerning the Community régime for intervention by the member States in favour of the coal industry.

The objectives of the Decision are the following:

- to concentrate production on those installations which can best improve their productivity and seem most capable of supplying the Community's energy requirements, having regard in particular to their location in relation to markets and to reserves of the qualities demanded;
- to pursue the adjustment of mining to conditions of the energy market, provided no serious disturbances are thereby caused in the economic and social life of regions where development opportunities are not yet sufficient.

The validity of this Decision runs until 31 December 1975.

2. Decision No. 73/287/ECSC of 25 July 1973 concerning coking coal and coke intended for the Community's iron and steel industry.

This Decision is designed to ensure sufficient Community production of these types of coal on a temporary basis, during a transitional period in which there will be uncertainties as to the supply conditions for coking coal from third countries.

The validity of this Decision runs until 31 December 1978.

3. In addition, certain subsidies are granted under the provisions of the Belgian budgetary act.

These comprise assumption by the State, under certain conditions, of part of the interest payable by collieries on re-equipment loans granted by public credit institutions.

(b) Incidence

The subsidies permitted under the above-mentioned Decisions are granted directly to producers. They are variable sums and are intended to offset working losses and investment expenditure necessary to improve yield, costs and earnings or to allow operations to continue in satisfactory conditions of security or health.

The amount of the subsidies for investment expenditure is relatively small, representing only \pm 3 per cent of the total amount of subsidies granted.

(c) Amount of subsidies

For the years 1972 and 1973, the budget appropriation for financing the subsidies amounted respectively to BF 6,182.4 million and BF 7,165.3 million.

(d) Estimated amount per unit

The amount of the subsidies varies from one undertaking to another, depending on the amount of working losses.

II. Effects of the subsidy

(a) Quantitative effects of the subsidy on trade

The subsidies do not hinder international trade.

Indeed there is still a substantial net surplus on the import side.

(b) Statistics of production, consumption, imports and exports

(in thousand tons)

	1965	1971	1972	1973	1974
Production	19,786	10,960	10,500	8,842	8,111
Consumption	24,296	15,711	16,258	16,011	17,166
Imports	6,834	5,282	6,204	7,179	9,486
Exports	1,825	377	408	358	450

B. FILM INDUSTRY

I. Nature and extent of the subsidy

(a) Background and authority

In order to improve the quality of Belgium's film production, subsidies are granted to film production provided that certain conditions are observed and in accordance with the modalities determined by Royal Decrees dated 23 October 1963, 12 May 1973 and 24 December 1973. The Decree of 23 October 1963 prescribes the conditions and procedure for obtaining recognition as Belgian in respect of short and full-length films and newsreels.

(b) Incidence

The subsidies are granted within the limits of budgetary credits. On the basis of a recommendation by a selection committee regarding the quality of the work, the responsible authorities grant subsidies either for the making of films or in the form of a bonus to films already made.

(c) Amount of subsidy

A subsidy of BF 43,465,000 was granted for the year 1973.

(d) Estimated amount per unit

The amount granted for each film varies depending on several factors such as: length of film, its cost, the length of time during which it is shown, its box-office returns, the rate of local entertainment tax (which varies according to municipalities). These various factors give rise to such differences between premiums that it would be meaningless to indicate an average amount per unit.

II. Effect of the subsidy

(a) In view of the fact that the main purpose of the subsidy is to improve the quality of domestic film production, the granting of premiums under the present aid scheme has practically no effect on international trade.

(b) No official statistics are available on production. The statistics of imports and exports do not allow any differentiation as between films intended for screening in public cinemas and other films made by professionals and amateurs.

C. SHIPBUILDINGI. Nature and extent of the subsidy(a) Background and authority

Since 1 January 1968 the Belgian Government has introduced a subsidy on shipbuilding in order to offset the difference between cost prices in Belgium and those in foreign countries which are mostly builders of sea-going vessels to which financial aids are granted. The subsidy has been extended several times, and most recently until 31 December 1974.

(b) Incidence

The subsidy is paid to shipyards which build sea-going vessels of a gross tonnage exceeding 150 tons.

Initially the subsidy represented 8 per cent of the contract value of the ships to be built; it has since been reduced successively to 6 per cent, 4 per cent, and now 2 per cent.

(c) Amount of the subsidy

Estimated amount for 1972, 1973 and 1974: BF 400 million (for the three years)

Estimated amount per unit: impossible to determine because of the diversity of production.

II. Effect of subsidy

(a) It is difficult to evaluate the quantitative effects of the subsidy on trade.

(b) Statistics on production, consumption, imports and exports:

(i) for the three most recent years

(million francs)

	1971	1972	1973
Production	2,476	4,134	4,947
Imports	224	394	802
Exports	617	4,101	2,003

- (ii) for a previous representative year (year preceding the introduction of the subsidy)

(million francs)

	1967
Production	1,869
Imports	448
Exports	1,018