

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/4141/Add.14
24 September 1975

Limited Distribution

Original: English

SUBSIDIES

Notifications Pursuant to Article XVI:1

Addendum

UNITED KINGDOM

FORESTRY¹

I. NATURE AND EXTENT OF THE SUBSIDY

(a) Background and authority

The Forestry Act 1967 empowers the Forestry Commissioners, subject to Treasury approval to "make advances by way of grant ... upon such terms as they think fit, to persons (including local authorities) in respect of the afforestation (including replanting) of land belonging to those persons".

(b) Incidence

Financial assistance to encourage the expansion of private commercial forestry in the United Kingdom is currently given to the owners of woodlands on the terms set out in paragraph I(d) below.

(c) Amount of subsidy

The amount paid in grants for the year ended 31 March 1974 was £1,998,035 and it is estimated that £1,858,000 will be paid in the year ending 31 March 1975.

¹This information will not be included in the Community's collective response to document L/4141 of 15 January 1975.

(d) Estimated amount per unit

(i) There is now only one grant scheme open to new applicants as an aid towards the management of newly established private woodlands and financial assistance is given at the following rates:

Basic grant of £45 per hectare for land satisfactorily planted.
Supplementary grant of £125 per hectare for land satisfactorily planted with approved hardwood species, payable in addition to the basic grant.

This scheme came into operation on 1 October 1974 and expenditure is expected to be negligible in the year of introduction but to rise progressively over the next few years.

(ii) Private woodland owners who had previously dedicated their woodlands permanently to forestry under the old grant schemes are however entitled to retain existing rights and obligations or they may transfer to the new scheme described above in paragraph I(d)(i). Financial assistance where the owner has dedicated his woodland to forestry (under the Basis II scheme) is either in the form of a planting grant of £57.27 for every hectare satisfactorily planted, replanted or otherwise restocked and an annual management grant of £2.63 per hectare for the first 40 hectares, £1.77 per hectare for the second 40 hectares and £1.09 per hectare for the remainder, or (for the Basis I scheme) 25 per cent of the approved net annual expenditure on the dedicated woodlands until such time as they are self-supporting.

II. EFFECT OF THE SUBSIDY

(a) Forestry is a long-term project and it is thought that grants to woodland owners can have no effect on imports and exports for many years.

(b) Statistics of production, consumption and exports

Not applicable.