

GENERAL AGREEMENT ON TARIFFS AND TRADE

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FEDERAL REPUBLIC OF GERMANY

The following communication, dated 20 January 1981, has been received from the Permanent Mission of the Federal Republic of Germany.

In accordance with the procedure laid down in GATT document L/4932 of 25 January 1980 I hereby submit a notification from the Federal Republic of Germany pursuant to Article XVI:1 of the General Agreement on Tariffs and Trade. This is to update the information contained in document L/4622/Add.2 of 3 April 1978 under paragraph II.

The previous version is substituted by the following new text:

"II. Subsidies to the national merchant fleet.

In line with its shipping policy, the Federal Government also grants shipping subsidies to commercial ship owners for new buildings. Such subsidies may amount up to 12.5 per cent of the contract price and are not tied to the awarding of contracts to shipyards of a specific country. The grant is subject to repayment in whole if the ship is sold within four years, and in annually decreasing amounts thereafter until the end of the eighth year. In the Federal Budget for 1980 subsidies amounting to DM 175 million are provided for the above-mentioned purpose.

In the three-year period from 1979 to 1981 interest-free loans may be granted to German ship owners. The loans, called 'financial contributions' have a double function:

(1) to reduce the owner's interest burden by up to 2.5 percentage points to a minimum of 4 per cent (the calculation being based on an amount of 60 per cent of the accounting value arrived at by applying the straight-line method of depreciation), and

(2) to contribute towards financing future new buildings. For this programme DM 110 million have been made available in 1980."