

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

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## Agreement on Trade in Civil Aircraft

### NOTE ON STANDSTILL DECLARATIONS ON EXPORT CREDIT TERMS FOR AIRCRAFT AND FOR NUCLEAR POWER STATIONS

The OECD text below is reproduced for the convenience of members of the Committee on Trade in Civil Aircraft, in connexion with agenda item "Matters under Article 6 - Government Supports".

1. At its twenty-third meeting held on 15 May 1975 members of the OECD Trade Committee's Group on Export Credits and Credit Guarantees discussed proposals for sector understandings on export credits for aircraft and nuclear power stations. Agreement on these two proposals individually or together could, however, not be reached. In order to avoid a softening of export credit terms until understandings could be agreed upon, members declared that in these two fields "they will not grant softer terms than their current practices".

2. The Group noted these declarations it being understood that it was not precluded that a member offer softer terms than was current practice in order to match officially supported foreign competition. In these discussions the Group moreover noted that with regard to:

- aircraft, "the most generous terms presently offered are twelve years for leasing contracts offered by two countries for big aircraft"...
- nuclear power stations, "the most generous terms presently offered are fifteen years for the credit length offered by two countries and a down-payment of 10 per cent demanded by these two countries and another country."

At the following meeting of the Group when the proposals for sector understandings continued to be considered it was generally understood by the Group that the terms referred to in the Declarations did not include financing costs.

3. No modifications have been made to these Declarations since the twenty-third meeting on 15 May 1975. The Arrangement on Officially Supported Export Credits of 22 February 1978 specified that the terms of the Arrangement shall not apply to aircraft and nuclear power plants and that in these two fields the terms of the OECD standstills (i.e. of the declarations made at the twenty-third meeting of the Group on Export Credits and Credit Guarantees) shall apply.