

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

RESTRICTED

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SUBSIDIES

Notifications Pursuant to Article XVI:1

EUROPEAN COMMUNITIES

Supplement

The Commission of the European Communities has communicated the following amendments to be made to the notification by the European Communities pursuant to Article XVI:1 regarding subsidies, reproduced in document L/5102/Add.6/Suppl.1 of 21 May 1982.

Notifications Pursuant to Article XVI:1

Belgium

A. Coal industry

Paragraph I(a)2: replace the second paragraph by the following:

"Certain changes have been made in this Decision, most recently by Decision No. 896/82/ECSC of 20 April 1982."

Last line: amend to read:

"The validity of these Decisions runs until 31 December 1983."

Starting from paragraph I(a) 2(b), replace the existing text by the following:

"(b) Financing

Until 30 June 1981, working losses and investment projects were financed out of budgetary credits included in the budget of the Ministry of Economic Affairs.

On 1 July 1981, this financing was entrusted to the National Corporation for Financing of the Coal Sector, which has since become the National Corporation for Restructuring National Sectors.

(c) 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 represented 4 per cent of the total amount of subsidies granted in 1981, and 7 per cent in 1982.

(d) Amount of subsidies

For the years 1981 and 1982 (provisional figures), the amounts earmarked for financing subsidies amounted respectively to BF 10,700 million and BF 7,100 million.

(e) Estimated amount per unit

The amount of the subsidies varies from one undertaking to another, depending on the amount of working losses; these declined sharply in 1982.

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 import surplus.

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

(in thousand tons)

	1978	1979	1980	1981	1982 provisional
Production	6,590	6,125	6,324	6,186	6,539
Consumption	13,841	15,614	15,946	15,437	15,784
Imports	7,007	9,622	10,139	10,051	10,484
Exports	226	319	480	787	674

B. Film industry

Replace the text under I(c) by the following:

"(c) Amount of the subsidy

In recent years the subsidies granted have been as follows:

- 1979: BF 116,226,291
- 1980: BF 128,344,639
- 1981: BF 108,594,937
- 1982: BF 99,000,000 (budget)"

Federal Republic of Germany

I Subsidies to shipbuilding

The grants for the construction of high-work-content ships, which were notified in Document L/5102/Add. 6/Suppl. 1 as a limited emergency measure, were only given throughout the period from 1979 to 1981 and were not continued thereafter. Consequently, the notification is now being withdrawn.

II Subsidies to the national merchant fleet

1.) The first paragraph of this notification under II in Document L/5102/Add. 6/Suppl. 1 is modified as follows:

"In line with its shipping policy, the Federal Government grants direct subsidies to private German owners for new shipbuildings. Such subsidies may amount up to 12.5 per cent of the construction cost of the vessel to be built and are not tied to the awarding of contracts to shipyards of a specific country. After delivery the ships have to be operated in international trade, under the flag of the Federal Republic of Germany and stay under German registry in order to qualify for direct grants. The grant is subject to repayment in whole if the ship is sold within the first four years after the delivery, and in annually decreasing amounts thereafter until the end of the eighth year. The amounts of these grants are fixed every year. For 1982, DM 230 million had been available for the above mentioned purpose."

2.) The interest-free loans to German shipowners mentioned in the notification under II were only granted throughout the period from 1979 to 1981. Insofar the notification is now being withdrawn.

III Subsidies to the film industry

The previous notification remains unchanged.

FISHERIES - UNITED KINGDOM

Grants for Harbour and Harbour Related Facilities

1 (a) Background and authority

Under Section 2 of the Fisheries Act 1955 grants are available in Great Britain to public authorities and other similar bodies for harbour and harbour related facilities where such assistance will promote the maintenance or development of the fishery industry. Loans are also available in Scotland for authorities other than local authorities. In Northern Ireland grants are available under Section 3 of the Harbours Act (Northern Ireland) 1970 to persons improving maintaining or managing a harbour or carrying out harbour operations.

(b) Incidence

Grants are available towards the capital cost of construction improvement and repair of harbour and other facilities used by the fishing industry. In Northern Ireland grants are also available for works for management or maintenance and for plant and equipment. In England and Wales the rate of grant is normally 20 per cent for the major ports and 50 per cent for all others. In Scotland and Northern Ireland rates of grant vary according to circumstances but do not normally exceed 75 per cent.

2 Amount of Subsidy

Expenditure on grants in 1980/81 was £3.06 millions and for 1981/82 £1.9 millions. Loans amounting to £.07 million in 1980/81 and £.19 million in 1981/82 were taken up in Scotland.

<u>Page No</u>	<u>Reference</u>	<u>Deletions</u>	<u>Insertions</u>
10	Price Guarantees - Potatoes 1 <u>Nature and extent of Subsidy</u> (c) <u>Amount of Subsidy</u> after "and demand balance"	"and was £21 million"	"It was £13 million, nil £16 million and nil for 1978/79, 1979/80, 1980/81 and 1981/82 respectively."
11	(c) <u>Amount of Subsidy</u>	line 3 "£13 million...respectively"	
11	(d) <u>Estimated amount per unit</u>	entire sentence	"£1.81 per tonne for the 1978/79 crop and £2.19 per tonne for the 1980/81 crop"
11	2 <u>Effect of Subsidy</u>	line 2	"..years 1979/80 to 1981/82 are given in Annex 1."
12	Farming Grants and Subsidies - AHDS 1980 2 <u>Rate of Subsidy</u> (c) <u>Account-keeping grant</u>	"Year 1 - Approx £160"	"Year 1 - Approx £177 (1982), approx £193 (1983)"
13	(c) <u>Account-keeping grant</u> <u>Footnote</u> - AHGS 1980 3 <u>Amount of Subsidy</u>	"as at 18.3.81" "line 2"	"January 1983" "..to be £99.4 million for 1980/81 and £87.9 million for 1981/82."

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- AHCS 1971

1 Nature of Subsidy

(a) Background and Authority

line 5, after "...14.5.83"

"and it is expected that a further extension will be made to 14.5.86."

(b) Incidence

line 2, after "... and Horticultural Co-operation"

"(CCAHC)(CCAHC will be dissolved on 23 March 1983 and its functions transferred to a new organisation, Food for Britain)"

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(b) Incidence

the sentence beginning with "The amount of grant..."

(c) Amount of Subsidy

entire sentence

"The total cost for the financial year 1981/82 was £2,082,334."

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Hill Farming

- HICA

Rates of Allowances

line 1, "£42.50"

"£44.50"

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Rates of Allowances

paragraph 2 "where appropriate ...allowance".

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4 Amount of Subsidy

line 1

"The expenditure for 1981/82 in the United Kingdom was £85 million, of..."

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Fisheries

- Grants for the Acquisition and Improvement of Fishing Vessels

entire entry

(as attached)