

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

SCM/W/288

21 January 1993

Special Distribution

Committee on Subsidies and
Countervailing Measures

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QUESTIONS SUBMITTED BY AUSTRALIA ON ARTICLE XVI:1 NOTIFICATION FROM NORWAY

(L/6973/Add.7)

The following communication, dated 13 January 1993, has been received from the Permanent Mission of Australia.

1. Dairy industry subsidization far exceeds subsidies provided to other rural industries. What is the rationale behind the comparatively high subsidization of the dairy industry?
2. A general 'low income' subsidy is paid to each dairy holding suggesting that all dairy farmers are considered to be low income earners. Could more details be provided concerning the 'low income' subsidy?
3. Is the 'low income' subsidy a decoupled subsidy, not based on production?
4. Is there a threshold income above which dairy farmers would be excluded from payment of 'low income' subsidies?
5. Does a lower level of subsidies in 1992 compared to 1991 indicate a Government policy to phase down dairy subsidies?
6. What is the rationale behind consumer price subsidies on liquid milk? Do consumer price subsidies apply to domestically produced dairy products only, or do they also apply to imported products?
7. What is the reason for regional differentiation in applying price subsidies? Does the fact that the degree of variation is less marked in 1992-1993 than in 1991-1992 indicate a change in Government attitude towards regional differentiation?
8. What is the rationale for the extent of subsidization of Norwegian grain producers? What impact does the producer subsidy on grains have on prices?

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9. Are there any plans to reduce the transport subsidy?
10. Can more information be provided on the supply control programme providing some support to egg producers?
11. Can statistical information on production, imports, exports and consumption be provided on the subsidization given to fisheries, including aquaculture?