

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

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Negotiating Group on Agriculture

UNDERTAKINGS PURSUANT TO PARAGRAPH 15 OF  
THE MID-TERM REVIEW DECISION ON AGRICULTURE

Notification from Iceland

In compliance with the April TNC Agreement on short-term elements in agriculture, paragraph 15, Iceland submits the following notification.

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The Government of Iceland is reducing its exports subsidies of mutton and dairy products in accordance with a legislation from 1985. One of the main objectives of this law is to reduce export subsidies according to a six year plan shown below:

| <u>Year</u> | <u>%</u>  |  |
|-------------|-----------|--|
| <u>1985</u> | <u>10</u> | % = Export subsidies as maximum percentage<br>of the total value of agricultural products. |
| 1986        | 7         |  |
| 1987        | 6         |  |
| 1988        | 5         |  |
| 1989        | 5         |  |
| 1990        | 5         |  |
| 1991        | 5         |  |
| 1992        | 5         |  |

It is expected that this number will be reduced to approximately 2-3 per cent in a revised version of the law for the years of 1993 and 1994.

The figures below represent the expected relative decreasing value of export subsidies in 1989 and 1990 for dairy products and mutton in 1990 compared to 1989:

|                | <u>1989</u> | <u>1990</u> |
|----------------|-------------|-------------|
|                | <u>%</u>    | <u>%</u>    |
| Dairy products | 100         | 90          |
| Mutton         | 100         | 75          |