

WORLD TRADE ORGANIZATION

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**Committee on Subsidies
and Countervailing Measures**

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SUBSIDIES

Request from the EUROPEAN COMMUNITY to JAPAN Pursuant to Article 25.10 of the Agreement

The following communication, dated 30 September 1997, has been received from the Permanent Delegation of the European Community.

The Community has obtained information concerning a number of actions and practices, described in the annex herewith, which the EC considers might be subject to notification to the Committee under Article 25.2 of the Agreement.

The EC requests that those subsidy programmes as well as all other programmes at sub-national level which may meet the notification requirements, be notified to the Committee on Subsidies and Countervailing Measures. Should a notification not be made promptly, the EC reserves its right to raise the alleged subsidies for discussion at the next regular meeting of the Committee.

SUBSIDY 1 - FUND FOR TEXTILES IN FUKUI

1. Title

Fukui: Special Funds of the Fukui Prefecture for the Equipment Reinforcement by Textile Industries

2. Period covered

The period covered is 1994.

3. Policy objective and purpose of the subsidy

The objective is to provide loans at preferential interest rates to SMEs located in the Fukui prefecture which invest in new equipment for the production of textiles.

4. Background and authority

The programme is administered by the Fukui Prefecture.

5. Form

Loans at preferential interest rates.

6. To whom and how the subsidy is provided

The programme is available to SMEs in the textile sector with 49 employees or less (or 99 or less in case of the dyeing industry). It is limited to certain enterprises within the territory of the granting authority and is therefore specific.

7. Subsidy per unit or total budget

The amount of the loans cover 100% of the eligible expenses. The loan limit is JPY 30 million. The loan interest is maximum 3.3% per annum.

8. Duration of the subsidy

The scheme is ongoing.

9. Trade effects

n.a.

SUBSIDY 2 - FUND FOR GLASS INDUSTRY IN FUKUI

1. Title

Fukui: Extra Funds of the Fukui Prefecture for Improving the Glass Industries

2. Period covered

The period covered is 1994.

3. Policy objective and purpose of the subsidy

The objective is to provide loans at preferential interest rates to enterprises located in the Fukui prefecture which conduct R&D for new types of products.

4. Background and authority

The programme is administered by the Fukui Prefecture.

5. Form

Loans at preferential interest rates.

6. To whom and how the subsidy is provided

The programme is available to all enterprises in the glass industry. It is limited to certain enterprises within the territory of the granting authority and is therefore specific.

7. Subsidy per unit or total budget

The amount of the loans cover 100% of the eligible expenses. The loan limit is JPY 20 million. The loan interest is maximum 3.2% per annum.

8. Duration of the subsidy

The scheme is ongoing.

9. Trade effects

n.a.

SUBSIDY 3 - REGIONAL DEVELOPMENT IN EHIME

1. Title

Ehime: Special loans for Small Scale Enterprises in Regional Development Measures Areas

2. Period covered

The period covered is 1994.

3. Policy objective and purpose of the subsidy

The objective is to attract enterprises to special areas in the prefecture of Ehime.

4. Background and authority

The programme is administered by the Ehime Prefecture.

5. Form

Loans at preferential interest rates.

6. To whom and how the subsidy is provided

The programme is available to all small-scale enterprises with 20 employees or less which relocate to the special areas within the prefecture. The programme is limited to certain enterprises within the territory of the granting authority and therefore specific.

7. Subsidy per unit or total budget

The amount of the loans are limited to JPY 4.5 million.

8. Duration of the subsidy

The scheme is ongoing.

9. Trade effects

n.a.

SUBSIDY 4 - SUBSIDY FOR WOOD INDUSTRY IN HOKKAIDO

1. Title

Hokkaido: Wood industries upgrading funds.

2. Period covered

The period covered is 1995.

3. Policy objective and purpose of the subsidy

The objective of this programme is to provide loans at preferential interest rates to the wood and forestry industry.

4. Background and authority

The programme is administered by the Hokkaido Prefecture.

5. Form

Loans at preferential interest rates.

6. To whom and how the subsidy is provided

The programme is available to all SMEs which are active in the wood and forestry industry. The programme is limited to certain enterprises within the territory of the granting authority and therefore specific.

7. Subsidy per unit or total budget

The amount of the loans are limited to JPY 200 million.

8. Duration of the subsidy

The scheme is ongoing.

9. Trade effects

n.a.

SUBSIDY 5 - REGIONAL DEVELOPMENT IN SAGA

1. Title

Saga: Saga Prefectural Funds for the establishment of Enterprises in Areas Adjacent to Electric Power Generating Facilities

2. Period covered

The period covered is 1995.

3. Policy objective and purpose of the subsidy

The objective is to provide loans without interest to enterprises which establish within limited regions in the Saga prefecture where residents can commute to areas adjacent to electric power generation facilities.

4. Background and authority

The programme is administered by the Saga Prefecture.

5. Form

Loans without interest.

6. To whom and how the subsidy is provided

The programme is available to all enterprises established in a limited number of areas within the prefecture. The programme is limited to certain enterprises within the territory of the granting authority and therefore specific.

7. Subsidy per unit or total budget

The amount of the loans are limited to JPY 100 million. The loans cover 70% of eligible expenses.

8. Duration of the subsidy

The scheme is ongoing.

9. Trade effects

n.a.

SUBSIDY 6 - TAKEUCHI INDUSTRIAL PARK IN TOTTORI

1. Title

Tottori: Tottori Prefectural Subsidy for Promoting Enterprise Establishment at Takeuchi Industrial Park in Sakai-Minato

2. Period covered

The period covered is 1995.

3. Policy objective and purpose of the subsidy

The objective is to provide grants to enterprises which acquire land in and relocate to Takeuchi Industrial Park.

4. Background and authority

The programme is administered by the Tottori Prefecture.

5. Form

Grant.

6. To whom and how the subsidy is provided

The programme is available to all enterprises which relocate to the industrial park in the prefecture. The programme is limited to certain enterprises within the territory of the granting authority and therefore specific.

7. Subsidy per unit or total budget

The amount of the grants are limited to JPY 1,000 million.

8. Duration of the subsidy

The scheme is ongoing.

9. Trade effects

n.a.

SUBSIDY 7 - INDUSTRIAL PARK IN NIIGATA

1. Title

Niigata: Prefecture Subsidy for the Promotion of Enterprises Location in Toko Industrial Zone

2. Period covered

The period covered is 1995.

3. Policy objective and purpose of the subsidy

The objective is to attract enterprises to the Toko industrial zone in the prefecture of Niigata.

4. Background and authority

The programme is administered by the Niigata Prefecture.

5. Form

Grants.

6. To whom and how the subsidy is provided

The programme is available to all enterprises which acquire land in and relocate to the industrial zone. The programme is limited to certain enterprises within the territory of the granting authority and therefore specific.

7. Subsidy per unit or total budget

The amount of the grants are limited to JPY 200 million.

8. Duration of the subsidy

The scheme is ongoing.

9. Trade effects

n.a.

SUBSIDY 8 - SUBSIDY FOR SPECIFIED AREAS IN FUKUOKA

1. Title

Fukuoka: Prefectural Grants for Specified Areas

2. Period covered

The period covered is 1995.

3. Policy objective and purpose of the subsidy

The objective is to attract enterprises to special areas in the prefecture of Fukuoka.

4. Background and authority

The programme is administered by the Fukuoka Prefecture.

5. Form

Loans at preferential interest rates.

6. To whom and how the subsidy is provided

The programme is available to all enterprises which establish new plants in specified areas within the prefecture. The programme is limited to certain enterprises within the territory of the granting authority and therefore specific.

7. Subsidy per unit or total budget

The amount of the loans are limited to JPY 300 million.

8. Duration of the subsidy

The scheme is ongoing.

9. Trade effects

n.a.

SUBSIDY 9 - SUBSIDY FOR INDUSTRIAL SITES IN ISHIKAWA

1. Title

Ishikawa: Subsidies for Encouraging Investment in Core Noto Industrial Sites.

2. Period covered

The period covered is 1995.

3. Policy objective and purpose of the subsidy

The objective is to attract enterprises to special areas in the prefecture of Ishikawa.

4. Background and authority

The programme is administered by the Ishikawa Prefecture.

5. Form

Grants.

6. To whom and how the subsidy is provided

The programme is available to all enterprises acquiring land in Core Noto industrial sites. The programme is limited to certain enterprises within the territory of the granting authority and therefore specific.

7. Subsidy per unit or total budget

The amount of the grants are limited to JPY 200 million.

8. Duration of the subsidy

The scheme is ongoing.

9. Trade effects

n.a.