

WORLD TRADE ORGANIZATION

RESTRICTED

G/SCM/Q2/ZAF/2

13 May 1997

(97-2006)

Committee on Subsidies and Countervailing Duties

Original: English

SUBSIDIES

Response to Request from the EUROPEAN COMMUNITY to SOUTH AFRICA Pursuant to Article 25.10 of the Agreement

The following communication, dated 2 May 1997, has been received from the Permanent Mission of South Africa.

Pursuant to the cross notification of subsidies contained in document G/SCM/Q2/ZAF/1 which the European Community believes the South African Government is granting, the South African Government wishes to respond as follows:

Request from the EC

The Community requests that the subsidies described in the non-exhaustive list below, plus all other specific subsidies granted by South Africa, are notified in accordance with the standard WTO questionnaire on subsidies, in time for the meeting of the WTO Subsidies Committee on 23-24 October 1996.

Response

Subsidy programmes

1. The General Export Incentive Scheme (GEIS)

The scheme was notified to the Committee on Subsidies and Countervailing Measures in 1995 in terms of Article 28 of the Subsidies Agreement. GEIS will be phased out by the end of 1997, at the latest.

2. Export Marketing Assistance Scheme (EMA)

This scheme is not a specific subsidy as defined in the WTO Agreement on Subsidies and Countervailing Measures and is therefore not notifiable. The programme is not contingent upon exports, nor is it a specific subsidy.

3. Financing for the export of capital goods and services

This programme is not a notifiable subsidy for the purposes of the Agreement. The interest rates of the South African Credit Finance are market related and based on OECD consensus rates such as the International Reference Rates.

4. Assistance to the steel product exporters in the form of financing and a price rebate scheme

There is no government involvement in this programme.

5. The Agricultural Finance Assistance Programme

The assistance given to agriculture is of a *de minimis* nature and falls within the "green box" subsidies of the Agreement on Agriculture. This programme was notified to the Committee on Agriculture.

6. Preferential electricity and freight rates

This programme is of a commercial nature with no government involvement.

The other programmes identified by the European Community will be contained in South Africa's subsidy notification to the Committee on Subsidies and Countervailing Measures which will be submitted shortly.