

WORLD TRADE ORGANIZATION

G/SCM/Q2/ZAF/7
15 October 2003

(03-5465)

Committee on Subsidies
and Countervailing Measures

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SUBSIDIES

Request from AUSTRALIA to SOUTH AFRICA pursuant to Article 25.8
of the Agreement on Subsidies and Countervailing Measures

Questions posed by AUSTRALIA Regarding the
New and Full Notification of SOUTH AFRICA¹

The following communication, dated 13 October 2003, has been received from the Permanent Mission of Australia.

In its notification to the WTO pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Subsidies and Countervailing Measures (SCM) Agreement (document G/SCM/N/95/ZAF dated 12 August 2003), South Africa reported that it does not grant or maintain within its territory any subsidy within the meaning of Article 1.1 of the SCM Agreement which is specific within the meaning of Article 2 of the Agreement, or which operates directly or indirectly to increase exports from or reduce imports into its territory within the meaning of Article XVI:1 of the GATT 1994.

However, we understand that South Africa maintains a programme concerning “*Eligible Export Certificates in terms of the Motor Industry Development Programme*”.

Under this Programme Import Credit Certificates (IRCC's) are issued to exporters of qualifying built-up vehicles and automotive components based on the value of the exports less foreign content of those particular exports. The face value of such certificate entitles the holder to fully rebate duties on qualifying imported goods of the same value, except where an IRCC obtained for those export of components is used to rebate completely-built-up (CBU) imports or vice versa.

On the basis of Article 25.8 of the SCM Agreement, Australia requests information on the nature and extent of the Motor Industry Development Scheme.

Australia requests that the South African Government provide more detailed information on the MIDP Scheme, or an explanation why it is not considered a subsidy, as quickly as possible.

¹ G/SCM/N/95/ZAF.