

WORLD TRADE ORGANIZATION

RESTRICTED

G/SCM/Q2/PER/3

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(96-4070)

Committee on Subsidies and Countervailing Measures

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SUBSIDIES

Questions from the UNITED STATES Regarding the New and Full Notification of PERU¹

The following communication, dated 27 September 1996, has been received from the Permanent Mission of the United States.

I. General

Please provide information concerning the following programmes which were not included within Peru's notification, yet may meet the notification requirements of GATT 1994 and/or the SCM Agreement. If these programmes are somehow encompassed in Peru's notification, please explain. If not, please include information relevant to the elements requested in the notification format, or explain the basis on which Peru determined that each programme did not meet the notification requirements referenced above.

- A. Subsidies to the National Inputs Marketing Corporation (Empresa Nacional de Comercialización de Insumos or ENCI)
- B. Subsidies to the National Coca Corporation (Empresa Nacional de la Coca or ENACO)
- C. Subsidies to the Mining Products Marketing Corporation (Minero Perú Comercial or MINPECO)
- D. Subsidies to the Peruvian Petroleum Company (Petróleos del Perú or PETROPERU)
- E. Subsidies to the National Fisheries Enterprise (Empresa Nacional Pesquera or PESCAPERU)
- F. Subsidies to the Iron and Steel Corporation of Peru (Empresa Siderúrgica del Perú or SIDERPU)
- G. Subsidies to other state manufacturing in the following areas, including to holdings of the Corporación Nacional de Desarrollo (CONADE), COFIDE S.A., the banco de la Nación and other state banks:

beer
cement

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textiles
petrochemicals
paper
chemicals
fertilizers
rubber
diesel engines
dairies
salt
handicrafts
ships
telecommunications
railway transport

- H. Free Zones (Zonas Francas) - export promotion scheme to promote industrial and tourist activities. Enterprises in these zones are exempt from any national, regional or local tax or contribution to SENATI and FONAVI over a period of 15 years. There are currently believed to be six industrial free zones: Chimbote, Ilo, Matarani, Paita, Pisco and Trujillo.
- I. Special Trade Treatment Zones (Zonas de Tratamiento Especial Comercial) - export promotion scheme to deal exclusively with trade activities in border and tropical forest areas (zonas de frontera y de selva). Some goods enjoy total or partial tax exemptions when consumed in the zone. Zone users are not subject to the IGV and ISC indirect taxes. There are currently believed to be two Special Trade Treatment Zones: Tacna and Tumbes.
- J. Special Development Zones (Zonas Especiales de Desarrollo) - export promotion scheme to promote public and private activities in the national interest. The kind of fiscal benefits which are granted to the users can be selected among the range of facilities available to the Industrial Free Zones.
- K. Export promotion programmes of MITINCI, the Ministry of External Relations, Oficina Técnica de Promoción Comercial, the Export Committee (Comité de Exportaciones), Asociación de Exportadores (ADEX), the Sociedad Nacional de Industrias (SNI), the Cámara de Comercio de Lima, and the Sociedad Nacional de Exportadores (SNE).
- L. Subsidies to small traditional enterprises in the fisheries sector
- M. Financial assistance to agriculture in poor areas through rotating funds
- N. Tax incentives to agro-industry firms that devote two-thirds of their expenditures to agricultural activities
- O. Assistance to small- and medium-sized farms through the FONDEAGROS
- P. Subsidies to the mining sector through CENTRMIN, MINEROPERU and TINTAYA.