

**SUBSIDIES**

Requests Pursuant to Article 27.4 of the Agreement on  
Subsidies and Countervailing Measures

Replies to Oral Questions from Peru

The following communication, dated 3 December 2002, has been received from the Permanent Mission of Colombia.

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In the informal consultations held last Friday, Peru questioned Colombia about the coverage of the Transport Compensation Programme and, in particular, whether it covered the cost of transshipment, and brought to our attention Resolution No. 001 of 1993 on Fiducoldex.

I should like to confirm the information provided in the informal consultations that under no circumstances does the Transport Compensation Mechanism cover an amount greater than 26 per cent of the total cost of freight for the first three years and 13 per cent of that cost for the last two years.

In this connection, we should like to point out that Resolution No. 001 of April 1993, as is stated in Article 1, was of a transitory nature and therefore the cost of transshipment was only recognized on an exceptional basis between 1 April and 30 September 1993, as is clear from Article 7 of that Resolution and Article 2 of Resolution No. 002 of 1993.

As is indicated in paragraph D.4 of the notification from Colombia (G/SCM/N/48 COL, G/SCM/N/60 COL and G/SCM/N/71 COL), the legislation currently applicable to the Transport Compensation Mechanism is Resolution No. 004 issued on 18 November 1993, which may be found on page 100 of document G/SCM/Q3/COL/17.

We should like to reiterate to the Peruvian authorities our appreciation of their interest in our export support programmes and wish to state once again that we stand ready to reply to any concerns that they may have in that connection.

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