

# WORLD TRADE ORGANIZATION

G/SCM/Q2/FJI/8  
G/SCM/Q3/FJI/12  
1 October 2003

(03-5150)

Committee on Subsidies  
and Countervailing Measures

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## SUBSIDIES

New and Full Notification Pursuant to Article XVI:1  
of the GATT 1994 and Article 25 of the Agreement  
on Subsidies and Countervailing Measures

Replies to Questions from the EUROPEAN COMMUNITIES  
Regarding Notification G/SCM/N/95/FJI

The following communication, dated 30 September 2003, has been received from the Permanent Delegation of Fiji.

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The replies to the two (2) questions posed by the European Communities relating to Export Processing Factories are as follows:

**Q1. Can Fiji please explain how many companies will benefit from the scheme until 2014?**

Reply

124 companies are currently operating under the Export Processing Factories Scheme, known as the Tax Free Zone/Factory Schemes (TFZ/TFF). These companies are under various stages of operations with some expiring in 2003 and up to 2013.

**Q2. Can Fiji please explain how it intends to phase out the scheme?**

Reply

Government has made a commitment to phase out the scheme and has ceased approving further TFZ/TFF approvals from 2001, which means that all TFZ/TFF companies will be phased out by 2014. To assist exporters whose TFZ/TFF incentives have expired, Government has established an Exporters Club to administer a Duty Suspension Scheme (DSS) that came into effect from 1 July 2002. The DSS is essentially an investment incentive package that enables exporters to use world priced inputs in their products to improve competitiveness.

The DSS also releases cash tied up with the import duty and VAT thus enabling exporters to operate at their maximum potential.

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