

# WORLD TRADE ORGANIZATION

G/SCM/Q2/GRD/1  
G/SCM/Q3/GRD/9  
27 October 2003  
(03-5673)

Committee on Subsidies  
and Countervailing Measures

Original: English

## 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

Requests Pursuant to Article 27.4 of the Agreement on Subsidies and  
Countervailing Measures to Extend the Transitional  
Period for Elimination of Export Subsidies

Responses by GRENADA to Questions Posed by  
EUROPEAN COMMUNITIES<sup>1</sup> regarding the Notification<sup>2</sup>

The following communication, dated 24 October 2003, has been received from the Permanent Mission of Grenada.

Grenada wishes to reiterate that, in keeping with Article 25.7 of the Agreement on Subsidies and Countervailing Measures, the responses to the follow-up questions do not prejudice the legal status of the notified programmes under the GATT 1994 or the said Agreement, their effects under the Agreement or the nature of the programmes or measures.

### Question

In reply to one of the questions posed by EC in Communication G/SCM/Q3/GRD/5, dated 30 April, 2002, Grenada stated that following discussions on the requirement to phase out the programmes notified, the Government has formed a committee to assess the Programmes. Please indicate the progress made by the Committee made with regard to the assessments of the programmes.

### Response

The Fiscal Incentives Committee in its assessment has noted the critical importance of the Incentives Scheme to the country, as Grenada restructures its entire regime of incentives to attain Foreign Direct Investment, stimulate domestic investment and production, to address our economic and development needs.

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<sup>1</sup> G/SCM/Q3/GRD/8

<sup>2</sup> G/SCM/N/95/GRD-G/SCM/N/99/GRD

It must also be noted that that the Fiscal Incentives Act, common to most CARICOM Member states, is also presently under review as part of the Regional process.

The Committee in its initial assessment is of the view that a through analysis must be conducted of the impact of the scheme on investment in the country and further, the legal implications that may be involved.

Thus guided by our obligations under the Agreement on Subsidies and Countervailing Measures, Grenada is seeking to restructure the incentives programmes to fit within the time frame granted by the extension.

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