
**Committee on Subsidies
and Countervailing Measures**

**EXTENSION UNDER SCM ARTICLE 27.4 OF THE TRANSITION PERIOD
UNDER ARTICLE 27.2(b) FOR THE ELIMINATION
OF EXPORT SUBSIDIES**

THAILAND

Board of Investment Programme

Decision of 19 December 2002

The Committee on Subsidies and Countervailing Measures (the “Committee”),

On the basis of the provisions of Article 27.4 of the Agreement on Subsidies and Countervailing Measures (“the SCM Agreement”) pertaining to extension of the transition period under Article 27.2(b) of the SCM Agreement for the elimination of export subsidies;

Taking into account the request and other notified information provided by Thailand to the Committee¹ for Board of Investment Programme (“the programme”) during the consultations between Thailand and the Committee pursuant to Article 27.4 of the SCM Agreement;

Recognizing with appreciation the efforts, by Thailand, during the review by the Committee, to describe and clarify the provisions of the programme;

Considering for purposes of this decision, Thailand to be a developing country Member eligible to request an extension pursuant to Article 27.4 of the SCM Agreement;

Considering that an extension of the transition period for the programme is justified taking into account the economic, financial and development needs of Thailand;

Noting the statement of Thailand that its request for extension in respect of the programme is limited to exemption of corporate income tax thereunder;

Noting that Thailand hereby commits itself:

- (i) not to approve any new projects involving the provision of export subsidies under the programme, and not to modify the programme so as to make it more favourable, including as to scope, coverage and intensity of benefits, during the extension period and final two-year period referred to in the last sentence of Article 27.4 of the SCM Agreement, relative to the level of benefits that existed as indicated in the notified information concerning the programme¹;

¹The notified information on the basis of which this decision is taken is found in documents G/SCM/N/74/THA, G/SCM/N/71/THA, G/SCM/Q3/THA/1 to G/SCM/Q3/THA/17 and Suppl. 1. A summary description of the programme can be found in document G/SCM/Q3/THA/17.

- (ii) to make every effort to submit as soon as possible, and not later than 15 April 2003, for the consideration of the Committee at its Spring 2003 meeting, all of the additional information referred to in document G/SCM/Q3/THA/18;
- (iii) to provide, in addition to the information referred to in (ii), adequate transparency in respect of the operation of the programme, on an annual basis during the period referred to in (i), including as to implementation of the standstill commitment and the elimination of export subsidies under the programme, through notifications of the programme following the agreed format for subsidy notifications under Article 25 of the SCM Agreement, and review by the Committee;

Hereby grants to Thailand, under Article 27.4 of the SCM Agreement and subject to the terms contained herein, an extension, until 31 December 2003, of the transition period, under Article 27.2(b) of the SCM Agreement, for the elimination of export subsidies taking the form of exemption from corporate income tax under the programme.

As provided in the last sentence of Article 27.4 of the SCM Agreement, Thailand shall have the final two-year period from the end of the last authorized period to phase out the export subsidies under the programme.

It is understood that the extension hereby granted does not prejudice the position of any Member other than Thailand with regard to the notified information².

This decision does not affect the legal rights of Members with respect to any other obligations of Thailand under the SCM Agreement, that may apply to the programme. Among such other obligations, it is recognized that the programme remains subject to Article 3.1(b) of the SCM Agreement, which prohibits subsidies contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods.

This decision does not affect any rights, obligations or commitments of Members under any other WTO Agreement with respect to the programme; and is without prejudice to the existing and future relationship between the SCM Agreement and any other WTO Agreement, and has no precedential value for any other purpose.

² Footnote 1, *supra*.