WORLD TRADE ORGANIZATION

G/SCM/Q2/RUS/5

19 November 2013

(13-6377)

Committee on Subsidies and Countervailing Measures

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SUBSIDIES

REPLIES TO QUESTIONS POSED BY THE UNITED STATES[1] REGARDING THE NEW AND FULL NOTIFICATION OF THE RUSSIAN FEDERATION[2]

The following communication, dated 18 November 2013, is being circulated at the request of the Delegation of the Russian Federation.

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1 NOTIFIED PROGRAMS

With respect to "Civil Aircraft industry support (7)," the Russian Federation states that it has amended Resolution No. 466 of 25 June 2002, and will provide subsidies under the program exclusively for fulfillment of obligations to Russian producers on contracts concluded before 1 January 2011. It appears that the Russian Federation seems to be budgeting 630 million Rubles annually under this program for 2012, 2013 and 2014. Could the Russian Federation please explain how long the pre-2011 contracts will be in force and how long it intends to continue to provide support under this program?

Reply

Resolution of the Government of the Russian Federation No. 466 of 25 June 2002 "On approval of provision of subsidies from the federal budget to the Russian airline companies for partial compensation of interest costs on loans in 2002-2005 and lease payments for the purposes of purchasing the Russian aircrafts" was amended by the Resolution of the Government of the Russian Federation No. 164 of 27 February 2013.

The introduced amendments limited the scope of the support program only to contracts concluded by the Russian airline companies with the financial organizations in 2002-2010. The support program did not establish single termination date for the concluded contracts and therefore the contracts will expire in accordance with the terms and conditions thereof.

For the purposes of funding the partial compensation of interest and lease payments of the Russian airline companies due under the pre-2011 contracts concluded with financial organizations the Federal Budget for the year of 2013 allocated 630 million rubles. For the year of 2014 the funding is planned to be reduced to 504 million rubles.

Duration of the amended support program depends on the duration of the contracts concluded by the Russian airlines with the financial organizations and therefore in general the program will expire same day the last pre-2011 contract expires. However, any such contracts concluded by the Russian airlines after 1 January 2011 do not fall within the scope of the amended program and therefore are not subject to state support.

[1] G/SCM/Q2/RUS/2.
[2] G/SCM/N/253/RUS.

2 OTHER PROGRAMS

Publicly available information indicates that the Russian Federation administered several other support programs in 2012 that may meet the requirements for notification set forth under Article 25 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement). Could the Russian Federation please explain why each of the programs below should not be notified, or provide the information required under Article 25 of the SCM Agreement?

Reply

Information on other subsidies shall be provided in addition to the Notification G/SCM/N/253/RUS.

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