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**COUNCIL  
WORKING PARTY ON SHIPBUILDING**

**INVENTORY OF GOVERNMENT SUBSIDIES AND OTHER SUPPORT MEASURES  
JULY 2011**

*This document is for the record, and no action is necessary.*

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## **INVENTORY OF GOVERNMENT SUBSIDIES AND OTHER SUPPORT MEASURES JULY 2011**

### **Introduction**

1. As part of its decision at its 109<sup>th</sup> session (4 December 2009) to strengthen its Inventory of Government subsidies and other support measures, the Council Working Party on Shipbuilding (WP6) agreed that the Secretariat should supplement, from open sources, the information submitted by governments for the Inventory. The intention was that Secretariat should follow-up these possible additional items with the respective governments in order to determine whether or not they should be added to the Inventory, as this would significantly strengthen the Inventory as a means of ensuring transparency.

2. At that meeting the WP6 also agreed to move from an Inventory that was updated at irregular intervals (generally every two to three years), to one that is web-based and continuously updated, to strengthen the relevance and accuracy of the information in the Inventory.

3. The Inventory website is now fully operational and is accessible to WP6 members as well as those non-Member economies that participate in the Inventory. As a result of this, the Inventory is now being updated virtually every month.

4. However, a consequence of this frequent updating is that the Inventory is constantly changing, and it is more difficult to find specific reference points (for example, for the comparison of financial outlays over time).

5. This OLIS document contains the version of the Inventory current as of July 2011, and will provide a permanent record of the Inventory's status in the middle of this calendar year. It is the Secretariat's intention that in future similar documents will be produced in July and December every year, as a permanent record of the Inventory at those specific points in time.

### **Action**

6. This document is for the record, and no action is necessary.

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**ARGENTINA**

(1/1)

**REFERENCE YEARS: 2007-2009**

<b>1. Type of the measure of support</b>			
Argentina has reported that it has no government support measures for the shipbuilding industry.			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
<b>3. Outline/explanation of the measure</b>			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency			
USD - millions			
Exchange rate			
<b>5. Notes (if any)</b>			

## AUSTRALIA

(1/1)

REFERENCE YEARS: 2009-2011

<b>1. Type of the measure of support</b>				
<b>E: Export or Home Credits</b> - <i>e1 Export Credit Facilities</i> - <i>e2 Export credit guarantees or insurance (guarantees)</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
Authority: Export Finance and Insurance Corporation (EFIC) Legislation: Export Finance and Insurance Corporation (EFIC Act 1991)				
<b>3. Outline/explanation of the measure</b>				
Support is provided to overseas buyers of Australian constructed ships based on OECD Arrangement (specifically Annex 1) on official support by way of export credit guarantee (pure cover) and/or official financing support by way of direct credit/financing or interest rate support.				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011 (Jan-Mar)
National Currency				
USD - millions	52.83	Nil	Nil	89.20
Exchange rate				
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010	2011
USD - millions	Not reported	Not reported	267.20	334.10
<b>5. Notes (if any)</b>				
One officially supported export credit facility of USD 52,832,466 was offered to an overseas buyer in 2008 with terms and conditions compliant with Annex 1 of the OECD Arrangement. Transactions are denominated in US\$, Euro and Swiss Franc The relevant exchange rates are as follows:				
	<u>2010</u>	<u>2011</u>		
US\$/EURO	0.776	0.754		
US\$/CHF	0.969	0.978		

## CANADA

(1/1)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
<b>E: Export or Home Credits</b> - <i>e1 Export credit facilities (for foreign buyers)</i> - <i>e3 Home credits (for domestic buyers)</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
Industry Canada				
<b>3. Outline/explanation of the measure</b>				
<p>The Structured Financing Facility (SFF) provides interest rate and financing cost support to the purchaser of a qualifying ship built, refitted or converted in a Canadian shipyard. The SFF support can be up to 15% of the shipyard contract but can also be less. There are no Canadian content requirements other than that the construction work be done in Canada. The SFF is available to both domestic and international purchasers. The SFF adheres to the terms of the OECD Understanding on Export Credits for Ships.</p>				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency: - CAD millions	7.12	9.63	9.28	3.00
USD	6.67	8.43	9.01	3.07
Exchange rate [USD/CAD]	1.0667	1.1417	1.030	0.977
<b>4b. Maximum financial exposure at end of each year</b>				
	Not reported	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>				
Figures in 4a indicate Actual expenditures				

## CHINA

(1/3)

REFERENCE YEARS: 2007-2009

*[The entries for China have not been updated as yet]*

<b>1. Type of the measure of support</b>			
E - Export or Home Credits - <i>e1 Export Credit facilities</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
The Export-Import Bank of China			
<b>3. Outline/explanation of the measure</b>			
The facility is provided towards overseas borrowers ordering or repairing vessels in Chinese shipyards. The terms and conditions of this facility follow the guideline of OECD on understanding on export credits for ships.			
<b>4a. Monies actually committed each year</b>	2007	2008	2009
National Currency			
USD - millions	467.00	120.00	0
Exchange rate			
<b>4b. Maximum financial exposure at end of each year</b>	2007	2008	2009
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			

## CHINA

(2/3)

REFERENCE YEARS: 2007-2009

<b>1. Type of the measure of support</b>			
K - Support for Research and Development			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Ministry of Industry and Information Technology (MIIT)			
<b>3. Outline/explanation of the measure</b>			
The Government supports the research and development activities of enterprises or research institutes in accordance with the rules of the WTO. MIIT has been partly supporting the Research and Development activities on fundamental, common and leading-edge technologies which are beneficial to the development of the Chinese shipbuilding industry.			
<b>4a. Monies actually committed each year</b>			
	2007	2008	2009
National Currency: Renminbi (CNY) – millions	17.00	17.00	17.00
USD - millions	2.23	2.44	2.49
Exchange rate [USD/CNY]	7.6172	6.96225	6.84088
<b>5. Notes (if any)</b>			



## CHINA

(3/3)

REFERENCE YEARS: 2007-2009

<b>1. Type of the measure of support</b>			
M – Protection of the domestic market - <i>m1 – Customs duty on imported ships</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
State Council			
<b>3. Outline/explanation of the measure</b>			
The State Council constitutes and issues the tariff of imported ships, in accordance with the commitments in the Protocol on the Accession of the People's Republic of China to WTO, and customs agreements between China and other economic entities. The present tariff of imported ships is executed according to the Regulation and Customs Import and Export Tariff of the People's Republic of China 2009.			
<b>4a. Monies actually committed each year</b>	2007	2008	2009
National Currency			
USD - millions			
Exchange rate			
<b>5. Notes (if any)</b>			
Please see the attached table below of the tariffs for ships.			

**Table**  
**Import and Export Tariff of the People's Republic of CHINA 2009**  
**Entered into force on 1 January 2009**

**Chapter 89**

**Ships, boats and floating structures**

Note : A hull, an unfinished or incomplete vessel, assembled, unassembled or disassembled, or a complete vessel unassembled or disassembled, is to be classified in heading No. 89.06 if it does not have the essential character of a vessel of a particular kind.

Tariff item	Article Description	M.F.N (%)	Gen. (%)	Conventional (%)				Export (%)
				ASEN	APT	H.K.	Mac	
<b>89.01</b>	<b>Cruise ships, excursion boats, ferryboats, cargo ships, barges and similar vessels for the transport of persons or goods :</b>							
	-Cruise ships, excursion boats and similar vessels principally designed for the transport of persons; ferry-boats of all kind ;							
8901.1010	---Motor vessels	5	14					
8901.1090	---Other	8	30	T1				
	-Tankers							
	--Finished oil tankers							
8901.2011	----Loading not exceeding 100000t	9	14					
8901.2012	----Loading exceeding 100000t, but not exceeding 300000t	9	14					
8901.2013	----Loading exceeding 300000t	6	14					
	---Crude oil tankers :							
8901.2021	----Loading not exceeding 150000t	9	14					
8901.2022	---- Loading exceeding 150000t, but not exceeding 300000t	9	14					
8901.2023	---- Loading exceeding 300000t	6	14					

Tariff item	Article Description	M.F.N (%)	Gen. (%)	Conventional (%)				Export (%)
				ASEN	APT	H.K.	Mac	
	---Liquefied petroleum gas carriers :							
8901.2031	----Volume with 20000 m <sup>3</sup> or less	9	14					
8901.2032	---- Volume more than 20000 m <sup>3</sup>	6	14					
	---Liquefied natural gas carriers :							
8901.2041	---- Volume with 20000 m <sup>3</sup> or less	9	14					
8901.2042	---- Volume more than 20000 m <sup>3</sup>	6	14					
8901.2090	---Other	9	14					
8901.3000	-Refrigerated vessels other than those of subheading No. 8901.20	9	14	T1				
	-Other vessels for the transport of goods and other vessels for the transport of both persons and goods :							
	---Motor container vessels :							
8901.9021	----Capable loading standard containers with 60000 or less	9	14					
8901.9022	----Capable loading standard containers more than 6000	6	14					
	---Motor Ro-Ro carriers :							
8901.9031	----Loading with 20000t or less	9	14					
8901.9032	----Loading more than 20000t	6	14					
	---Motor bulk carriers :							
8901.9041	----Loading not exceeding 150000t	9	14					
8901.9042	---- Loading exceeding 150000t, not	9	14					

Tariff item	Article Description	M.F.N (%)	Gen. (%)	Conventional (%)				Export (%)
				ASEN	APT	H.K.	Mac	
	exceeding 300000t							
8901.9043	----Loading exceeding 300000t	9	14					
8901.9050	---Multi-purpose motor vessels	9	14					
8901.9080	---Other motor vessels	9	14	T1				
8901.9090	---Other non-motor vessels	9	30	T1				
<b>89.02</b>	<b>Fishing vessels; factory ships and other vessels for processing or preserving fishery products :</b>							
8902.0010	---Motor vessels	7	14	T1				
8902.0090	---Other	8	30	T1				
<b>89.03</b>	<b>Yachts and other vessels for pleasure or sports; rowing boats and canoes :</b>							
8903.1000	-Inflatable	10	30	T1				
	-Other :							
8903.9100	--Sailboats, with or without auxiliary motor	8	30	T1				
8903.9200	--Motorboats, other than outboard motorboats	10.5	30	T1				
8903.9900	--Other	10	30	T1				
<b>89.04</b>	<b>Tugs and pusher craft</b>							
8904.0000	Tugs and pusher craft	9	14	T1				
<b>89.05</b>	<b>Light-vessels, fire-floats, dredgers, floating cranes, and other vessels the navigability of which is subsidiary to their main function; floating docks; floating or</b>							

Tariff item	Article Description	M.F.N (%)	Gen. (%)	Conventional (%)				Export (%)
				ASEN	APT	H.K.	Mac	
8905.1000	<b>submersible drilling or production platforms :</b> -Dredgers	3	11					
8905.2000	-Floating or submersible drilling or production platforms -other :	6	11	T1				
8905.9010	---Floating docks	8	30					
8905.9090	---Other	3	11					
<b>89.06</b>	<b>Other vessels, including warships and lifeboats other than rowing boats :</b>							
8906.1000	-Warships -Other :	5	14					
8906.9010	---Motor vessels	5	14					
8906.9020	---Not- motorized vessels	8	30	T1				
8906.9030	---Unfinished or incomplete vessels, including segments of vessels	8	30	T1				
<b>89.07</b>	<b>Other floating structures (for example, raft, tanks, cofferdams, landing-stages buoys and beacons) :</b>							
8907.1000	-Inflatable rafts	8	30	T1				
8907.9000	-Other	8	30	T1				
<b>89.08</b>	<b>Vessels and other floating structures for breaking up :</b>							
8908.0000	Vessels and other floating structures for breaking up	3	11					

**CROATIA**

**[CROATIA HAS NOT SUBMITTED ANY INPUTS TO THE WP6 INVENTORY]**

## DENMARK

(1/2)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
<b>C: Loans on term and conditions more favourable than those commercially available.</b> <i>(Commercial Interest Reference Rate [CIRR] for ships)</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
Danish Enterprise and Construction Authority (DECA)				
<b>3. Outline/explanation of the measure</b>				
<b>CIRR-for-ships</b>				
In accordance with the CIRR-for-ships arrangement Danish Ship Finance (DSF) (Danmarks Skibskredit A/S) can offer loans on new buildings or conversion of ships on Danish shipyards.				
The CIRR-for-ships arrangement requires that the project is contracted in the period from 1 January 2003 to 31. December 2012. Upon approval by DECA that the project fulfils the OECD conditions on CIRR for ships DSF may offer CIRR-loans on up to 80 % of the approved basis for financing. DSF is entitled to refinance the loan with the Central Bank within a total frame of 16 billion DKK for the entire period.				
The rules and requirements are laid down in an Executive Order on approving shipbuilding projects under the arrangement for mortgaging ships for market reference rates (CIRR).				
To date 20 projects have been approved under the CIRR-for-ship arrangement since 1 January 2003.				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency	-	-	-	-
USD - millions				
Exchange rate				
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010	2011
	Not reported	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>				

## DENMARK

(2/2)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
<b>E - Export or Home Credits</b> <i>- e2 Export credit guarantees or insurance (guarantees)</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
Eksport Kredit Fonden (EKF)				
<b>3. Outline/explanation of the measure</b>				
Export credits covering the payment risk				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency	-	-	-	-
USD - millions				
Exchange rate				
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010	2011
National Currency : Danish Kroner DKK million	-	-	-	1,040.00
USD - millions				194.18
Exchange rate [USD/DKK]				5.3558
<b>5. Notes (if any)</b>				
<p>EKF has issued a guarantee covering 4 ships to a Hong Kong ship owner. The ships are to be delivered in the period October 2010 – end 2011. The total contract price for the 4 ships is DKK 1.3 billion, and EKF covers 80 % of that amount.</p>				



## FINLAND

(1/4)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>					
<p><b>E: Export or Home Credits</b></p> <ul style="list-style-type: none"> <li>- e2 <i>Export Credit Guarantee (for foreign buyers)</i></li> <li>- e3 <i>Home credits (for domestic buyers)</i></li> </ul> <p><i>(Buyer Credit Guarantees provided for post-delivery financing of the vessels)</i></p>					
<b>2. Authority/agency responsible for the measure and legal authority</b>					
<p>Responsible authority: Ministry of Employment and the Economy through state-owned company Finnvera plc</p> <p>Legislation:</p> <p>1) Act on the State's Export Credit Guarantees (Act No. 422/01)</p> <p>2) Act on the Ship Guarantees granted by the State (Act No. 573/72)</p>					
<b>3. Outline/explanation of the measure</b>					
<p>Post-delivery guarantees are granted to lenders providing financing to foreign shipowners for the purchase of the vessels built in Finland (export credit guarantees provided under legislation 1) above) or to Finnish shipowners for the purchase of vessels from Finland or abroad (guarantees provided under legislation 2) above). The guaranteed loans shall comply with the terms of the OECD Arrangement on Guidelines for Officially Supported Export Credits and its Sector Understanding on Export Credits for Ships.</p>					
<b>4a. Monies actually committed each year</b>		2008	2009	2010	2011 (March)
National Currency: Euro (EUR) - millions			730.91	874.83	
USD - millions			1,019.62	1,158.27	
Exchange rate [EUR/USD]			1.395	1.324	
<b>4b. Maximum financial exposure at end of each year</b>		2008	2009	2010	2011 (March)
National Currency: Euro (EUR) - millions		539.53	1,440.00	2,250.00	2,200.00
USD - millions		789.33	2,008.80	2,979.00	3,009.60
Exchange rate [EUR/USD]		1.463	1.395	1.324	1.368
<b>5. Notes (if any)</b>					

Please note, that the amounts given above in 4a) show new guarantee commitments during the year and 4b) show Finnvera's actual exposure in the end of each year i.e. the guaranteed portion of the loans disbursed and not repaid.

Interest Make-Up (IMU) has been provided for the guaranteed portion of the export credits as follow:

Outstanding amount supported by IMU at the end 2008: EUR 159,942,477

Outstanding amount supported by IMU at the end 2009: EUR 514,252,000

Outstanding amount supported by IMU at the end 2010: EUR 484,818,000

Outstanding amount supported by IMU at the end March 2011: EUR 471,345,000

## FINLAND

(2/4)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
<p><b>E: Export or Home Credits</b></p> <ul style="list-style-type: none"> <li>- e2 <i>Export credit guarantee (for foreign buyers)</i></li> <li>- e3 <i>Home credits (for domestic buyers)</i></li> </ul> <p><i>(Pre-delivery Export credit and ship guarantees provided for partly financing the construction of vessels)</i></p>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
<p>Responsible authority: Ministry of Employment and the Economy through state-owned Finnvera plc</p> <p>Legislation:</p> <p>1) Act on the State's Export Credit Guarantees (Act No. 422/01)</p> <p>2) Act on the Ship Guarantees granted by the State (Act No. 573/72)</p>				
<b>3. Outline/explanation of the measure</b>				
<p>Pre-delivery guarantees provided on behalf of Finnish shipyards to partly cover the financing of the construction of vessels: 1) Finance guarantees are granted to partly cover the construction loan taken by the yard. Bond guarantees are used as advance payment guarantees or performance guarantees. If the buyer is a foreign company, guarantees are provided under legislation 1) above, if a Finnish company, under legislation 2) above.</p> <p>Guarantees are granted according to the rules stated in Commission Notice on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees. Guarantees are provided on commercial terms and they do not include any subsidy element. Information on the guarantee schemes for pre-delivery financing of the ships has also been given to European Commission, which has made a decision over the scheme on 4.4.2007 C(2007)1406 final</p>				
<b>4a. Monies actually committed each year</b>				
	2008	2009	2010	2011(March)
National Currency: Euro (EUR) - millions		651.96	0	0
USD - millions		909.48		
Exchange rate [EUR/USD]		1.395		
<b>4b. Maximum financial exposure at end of each year</b>				
	2008	2009	2010	2011(March)
National Currency: Euro (EUR) - millions	320.37	254.10	35.56	0
USD - millions	468.70	354.47	47.22	
Exchange rate [EUR/USD]	1.463	1.395	1.328	
<b>5. Notes (if any)</b>				
<p>Please note, that the amounts given above in 4a) show new guarantee commitments during the year and 4b) Finnvera's actual exposure in the end of each year (both in 4a and 4b the guaranteed portion of the loans disbursed and the advance payment guarantees given).</p>				

## FINLAND

(3/4)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
<b>E: Export or Home Credits</b>				
- <i>e1 Export credit facilities (interest support and refinancing)</i>				
<i>(Interest support and refinancing for Export Credits consistent with the Understanding on Export Credits for Ships)</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
The authority responsible for Interest Make Up is the Ministry of Employment and the Economy, and the support measure is granted under Act on the Interest Equalisation of Officially Supported Export and Ship Credits (1137/1996, as amended) and the relating decree 1044/2005.				
<b>3. Outline/explanation of the measure</b>				
Interest support is provided through an Interest Make Up -scheme to enable financial institutions to provide Export Credits based on CIRR consistent with the Understanding on Export Credits for Ships. Under the Interest Make Up -scheme the financial institution will provide and administer the Export Credit and the financial institution will receive/pay the difference between their Euribor/Libor -based funding cost and the CIRR rate paid by the borrower. Under the refinancing scheme financing is provided at CIRR consistent with the Understanding on Export Credits for Ships.				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency: Euro (EUR) - millions	-	-	-	-
USD - millions				
Exchange rate [EUR/USD]				
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010	2011(March)
National Currency: Euro (EUR) - millions	1,021.62	1,250.90	1,132.67	1,075.28
USD - millions	1,494.63	1,745.01	1,504.19	1,435.50
Exchange rate [EUR/USD]	1.463	1.395	1.328	1.335
<b>5. Notes (if any)</b>				
The amounts given under 4 b. above represent the outstanding loan amount supported by Interest Make Up at the end of each year and the outstanding amount of refinancing.				
State-owned company Finnvera has provided credit insurance (buyer credit guarantees) for the export credits mentioned above as follows (amounts represent the guaranteed amount):				
Year 2008: EUR 168.74 million		Year 2009: EUR 514.25 million		
Year 2010: EUR 484.82 million		March 2011: EUR 471.35 million		

## FINLAND

(4/4)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>				
<b>K: Support for Research and Development</b>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
<p>Centre for Economic Development, Transport and the Environment for Southwest Finland if granted aid less than or equal to EUR 5 million.</p> <p>Ministry of Employment and the Economy, if granted aid more than EUR 5 million,</p> <p>Legislation: Government Decree on the State's Innovation Aid for Shipbuilding 592/2008, unofficial translation (issued under Act on Discretionary Government Transfers 688/2001) and Government Decree on the Revision of the State's Innovation Aid for Shipbuilding 165/2010, unofficial translation (the change of authority responsible for the measure, only in Finnish)</p> <p>The measure was approved by European Commission 28 May 2008.</p>				
<b>3. Outline/explanation of the measure</b>				
<p>Innovation aid (in the form of direct grants) may be granted for the industrial application of innovative products and processes. These are technologically new or substantially improved products and processes when compared to the state of the art that exists in the shipbuilding industry in the European Community.</p> <p>For further information please see document - Innovation Aid for Shipbuilding Industry* available at:<a href="http://ec.europa.eu/competition/state_aid/register/ii/doc/N-28-2008-WLWL-en-28.05.2008.pdf">http://ec.europa.eu/competition/state_aid/register/ii/doc/N-28-2008-WLWL-en-28.05.2008.pdf</a></p> <p>(* In that document the abbreviation VTT stands for Technical Research Centre of Finland, Valtion teknillinen tutkimuskeskus, NOT Government Institute for Economic Research).</p>				
<b>4a. Monies actually committed each year</b>				
	2008	2009	2010	2011
National Currency: Euro (EUR) - millions	9.00	9.00	4.51	11.33
USD - millions	13.20	12.56	5.99	15.13
Exchange rate [EUR /USD]	1.463	1.395	1.328	1.335
<b>5. Notes (if any)</b>				

7.

## FRANCE

(1/2)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<p><b>G: Government acquisition of interest in a yard or yards</b>  - <i>g4 other forms of acquisitions of interest</i>  <i>(Acquisition of shares in STX France)</i></p>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
<b>3. Outline/explanation of the measure</b>			
<p>The French Government acquired a 33.34% holding in STX France by injecting capital into the company through the Strategic Investment Fund [Fond Stratégique d'Investissement (FSI)]. The remaining shareholding is 50.01% by STX Europe and 16.65% by the Alstom Group.</p> <p>This shareholding will allow the French government to block decisions, but not intervene in policy or financing decisions.</p>			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Euro (EUR) - millions	83.30	Nil	Nil
USD – millions	121.87		
Exchange rate [EUR/USD]	1.463		
<b>5. Notes (if any)</b>			
<p>The amount paid for shares could increase by up to €83.3m in 2012, depending on the company's performance in the intervening period.</p>			

## FRANCE

(2/2)

REFERENCE YEARS: 2007-2010

<b>1. Type of the measure of support</b>				
<b>K: Support for Research and Development</b>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
Ministère de l'industrie, de l'énergie et de l'économie numérique				
<b>3. Outline/explanation of the measure</b>				
Support measure for innovation in the shipbuilding sector (N429/04 accepted by EU on 13/03/2005). Subsidy corresponding to 20% of the amount of innovative expenses (within the limit of EUR 150/cgt), only granted if the ship is effectively subject to a sales contract.				
<b>4a. Monies actually committed each year</b>	2007	2008	2009	2010
National Currency: Euro (EUR) - millions	Nil	0.28	Nil	1.02
USD – millions		0.41		1.35
Exchange rate [EUR/USD]	1.368	1.463	1.395	1.328
<b>5. Notes (if any)</b>				

## GERMANY

(1/9)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<p><b>A: Direct transfer of funds by Governments</b></p> <p>- <i>a1 subsidies and grants</i></p> <p><i>(Competition Aid for German Shipyards ("Wettbewerbshilfe"); form of the subsidy: Grant)</i></p>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
<p>Commitment authorizations in the Federal and Länder budgets. Guidelines from the Federal Ministry of Economics and Technology.</p>			
<b>3. Outline/explanation of the measure</b>			
<p>Those receiving the grants are shipbuilding companies in the Federal Republic of Germany. Support was given namely to the construction of container ships, product and chemical tankers and LNG carriers (Liquefied Natural Gas carriers). Support of 6 per cent of contract value before aid. Duration of subsidy and other time-limits attached to it: In the frame of Commission Regulation (EC) No 1177/2002 / COMReg. (EC) No. 502/2004. Limited to contracts signed before 31 March 2005. There are no further disbursement obligations.</p>			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Euro (EUR) - millions	11.90	Nil	Nil
USD - millions	18.10	Nil	Nil
Exchange rate [EUR/USD]	1.463		
<b>5. Notes (if any)</b>			



## GERMANY

(2/9)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>C: Loans on terms and conditions more favourable than those commercially available</b>			
<i>(EUR 40 billion in business loans for working capital and investment in the years 2009 and 2010 as part of a stimulus programme by the German Federal Government. This fund is open to all branches of the economy.)</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
German Federal Government in cooperation with the Länder governments and the public KfW bank administers this stimulus programme.			
<b>3. Outline/explanation of the measure</b>			
<p>The public KfW bank forwarded <b>loans</b> to the borrowing company's bank and assumed up to 90% of the risk. This programme expired with the end of 2010.</p> <p>Loans from this stimulus programme were limited to EUR 300 million. Exceptions had to be approved by the government via the special funds steering committee.</p> <p>To receive a loan, companies must not have been experiencing economic difficulties prior to mid-2008 and must have had at best limited access to capital market. In addition, it had to be assured that the company was able to function effectively without government assistance after the end of the crisis, and that all other possibilities for financing had been exhausted.</p> <p>These loans were granted on the basis of the EU Commissions "temporary framework" and are therefore in line with the European Competition law.</p> <p>Two shipyards have received a loan from this stimulus programme.</p>			
<b>4a. Monies actually committed each year</b>			
	2008	2009	2010
National Currency: Euro (EUR) - millions	Nil	220.00	0
USD - millions	Nil	309.69	
Exchange rate [EUR/USD]		1.395	
<b>4b. Maximum financial exposure at end of each year</b>			
	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			

## GERMANY

(3/9)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>C: Loans on terms and conditions more favourable than those that would be commercially available to the benefiting enterprise</b>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Government of the German land Mecklenburg-Vorpommern			
<b>3. Outline/explanation of the measure</b>			
Within the “temporary framework” of the EU-Commission state entities are entitled to forward loans to companies under certain conditions. These loans are in line with the European Competition law. The land Mecklenburg-Vorpommern has forwarded two loans to shipyards at market based interest rates.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Euro (EUR) - millions	60.00	48.00	20.00
USD - millions	87.78	66.96	26.56
Exchange rate [EUR/USD]	1.463	1.395	1.328
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			

## GERMANY

(4/9)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>D: Loan guarantees that support loans on terms and conditions more favourable than those that would be commercially available to the benefiting enterprise</b>			
<i>(Up to EUR 75 billion in loan guarantees in the years 2009 and 2010 as part of a stimulus programme by the German Federal Government. This fund is open to all branches of the economy).</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
German Federal Government and/or the German Länder are responsible for the guarantee programme depending on the amount of the concerned guarantee. The programme is administered by PwC on behalf of the Federal Government and some German lands ("Länder").			
<b>3. Outline/explanation of the measure</b>			
A bank could apply for a loan guarantee which could cover up to 90 % of the risk of the total amount of the concerned loan. The guarantees listed below were related to loans for ships built or to be built on domestic shipyards. This programme expired with the end of the year 2010.			
To receive a loan, companies must not have been experiencing economic difficulties prior to mid-2008 and must have had at best limited access to capital market. In addition, it had to be assured that the company was able to function effectively without government assistance after the end of the crisis, and that all other possibilities for financing had been exhausted.			
The loan guarantees were granted on the basis of the EU Commissions "temporary framework" and are therefore in line with the European competition law.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Euro (EUR) - millions		133.00	335.00
USD - millions		185.54	444.88
Exchange rate [EUR/USD]		1.395	1.328
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			

## GERMANY

(5/9)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>E: Export or Home Credits</b> - <i>e2</i> <i>Export credit guarantees</i> - <i>e3</i> <i>Home credits granted to domestic ship owners or other domestic third parties</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
German lands ("Länder")			
<b>3. Outline/explanation of the measure</b>			
<p>Guarantees are offered for pre-delivery and post-delivery financing of ships ordered at German shipyards. It is a pure cover system approved by the European Commission and it is therefore in compliance with European competition law. In the last year three Länder have been active. The figures given below show the total financial exposure at the end of the respective year. Because of the more beneficial measures reported under 4/9 there were no new guarantees issued under this scheme in the last years.</p>			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Euro (EUR) - millions	Not reported	Not reported	Not reported
USD - millions			
Exchange rate [EUR/USD]			
<b>4b. Maximum financial exposure at end of each year</b>			
National Currency: Euro (EUR) - millions	158.00	112.00	Not reported
USD - millions	231.15	156.24	
Exchange rate [ /USD]	1.463	1.395	
<b>5. Notes (if any)</b>			

## GERMANY

(6/9)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
E: <b>Export or Home Credits</b> - e1 – <i>Export credit facilities (Refinancing)</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Ministry of Economics and Technology together with Ministry of Finance; programme administered by KfW-Ipex			
<b>3. Outline/explanation of the measure</b>			
Under the interest make-up scheme funding risks are covered to enable banks to provide loans at CIRR (Commercial Interest Reference Rate) for the purchase of vessels in Germany. The financial institution providing the loan will receive or pay the difference between the CIRR and funding cost. The system complies with the OECD Arrangement on Guidelines for Officially Supported Export Credits and its Sector Understanding on Export Credits for Ships.			
<b>4a. Monies actually committed each year</b> <i>[see Explanatory Note 4]</i>	2008	2009	2010
National Currency: Euro (EUR) - millions	2.43	2.55	2.28
USD - millions	3.42	3.56	3.03
Exchange rate [EUR/USD]	1.463	1.395	1.328
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			

## GERMANY

(7/9)

## REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>E - Export or Home Credits</b> - <i>e1 Export credit facilities</i>  <i>(Interest-Rate Grants to Finance Orders to German Shipyards ("Werfthilfen"); form of the subsidy: Grant)</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Commitment authorizations in the Federal budget from previous years. Guidelines from the Federal Ministry of Economics and Technology.			
<b>3. Outline/explanation of the measure</b>			
The eighth shipyard assistance programme (VIII. Werfthilfeprogramm) exists to provide non-repayable interest-rate grants under the relevant OECD Understanding On Export Credits For Ships (1981). In the frame of this Export Credit Agreement, which expired in April 2002, only legal obligations from previous years will be completed. Support is given to the construction and reconstruction of high-technology marine vessels (merchant vessels), respecting the OECD Understanding On Export Credits For Ships: 8.5 year term. 20 per cent advance payment. Minimum interest rate of 8 per cent p.a.			
<b>4a Monies actually committed each year</b>	2008	2009	2010
National Currency: Euro (EUR) - millions]	4.60	2.20	0.9
USD - millions	6.80	3.07	1.20
Exchange rate [EUR/USD]	1.463	1.395	1.328
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			

## GERMANY

(8/9)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>E: Export or Home Credits</b> - e2 – <i>Export credit guarantee or insurance (pure cover)</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Ministry of Economics and Technology together with Ministry of Finance, Ministry of Economic Cooperation and Development and Foreign Office. Programme administered by Euler Hermes			
<b>3. Outline/explanation of the measure</b>			
Official export credit guarantees are provided to lenders extending loans to foreign buyers of vessels built in Germany. The guaranteed loans shall comply with the terms of the OECD Arrangement on Guidelines for Officially Supported Export Credits and its Sector Understanding on Export Credits for Ships.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Euro (EUR) - millions]	3,782.00	2,919.00	2.70
USD - millions	5,533.07	4,072.01	3.59
National Currency: Euro (EUR) - millions]	1.463	1.395	1.328
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			

## GERMANY

(9/9)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<p><b>K: Support for Research and Development</b></p> <p><i>[Aid granted for innovation in existing shipbuilding repair or ship conversion yards, provided that it relates to the industrial application of innovative products and processes (“Innovationsbeihilfen”)</i></p> <p><i>Form of the subsidy: Grant (refundable in case of continued successful application). ]</i></p>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
<p>Commitment authorizations in the Federal budget from previous years. Guidelines from the Federal Ministry of Economics and Technology.</p>			
<b>3. Outline/explanation of the measure</b>			
<p>Certain features make shipbuilding unique and distinguish it from other industries such as small production series, the size, value and complexity of the units produced as well as the fact that prototypes are generally used commercially. As a consequence, shipbuilding is the only sector eligible for <b>innovation aid</b>, as an incentive to technological risk-taking. (EU-Framework of state aid to shipbuilding).</p> <p><u>Modes of payment:</u> 20 per cent gross limited to expenditure on investments, design, engineering and testing activities directly and exclusively related to the innovative part of the project.</p> <p><u>Duration of subsidy and other time-limits attached to it:</u> The aid for innovation to shipbuilding applies until 31 December 2011.</p>			
<b>4a Monies actually committed each year</b>			
	2008	2009	2010
National Currency: Euro (EUR) - millions ]	14.00	5.63	12.24
Equivalent in USD - millions	20.48	7.85	16.25
Exchange rate [EUR/USD]	1.463	1.395	1.328
<b>5. Notes (if any)</b>			



## GREECE

(1/1)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<p><b>A Direct transfer of funds by governments</b></p> <p>- <i>a1Subsidies and grants (Sectoral development subsidy)</i></p> <p><i>[Note: Greece has advised that the measure is now terminated, and in due course will be removed from the Inventory]</i></p>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
<p>Ministry of Development – General Secretariat of Industry</p> <p>Council Regulation No 154198</p>			
<b>3. Outline/explanation of the measure</b>			
<p>Investment aid to the shipyards “Elefsis Shipbuilding and Industrial Enterprises SA”.</p> <p>Greece has advised that the completion of the “ELEFSIS SHIPBUILDING &amp; INDUSTRIAL ENTERPRISES S.A.” investment was established under Ministerial Decision No. 15623 / 1010 / 18.7.2007 (GG 1475/B/16.08.2007) on 9.04.2006.</p> <p>The amount of EUR 2,000,000.00 was paid on 30.08.2007, while the final repayment of the project amounting to EUR 4,263,698.92 was made on 9.04.2008.</p> <p>The above-mentioned amounts during this two-year period (2007 and 2008) are the same with the amounts reflected in the OECD form, regarding the reference years 2007 – 2009.</p> <p>For 2009 and 2010, no more payments for this investment were made, since the final payment of this project was made in 2008.</p>			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Euro (EUR) - millions	4.26	Nil	Nil
USD - millions	6.23		
Exchange rate [EUR/USD]	1.463		
<b>5. Notes (if any)</b>			

## ITALY

(1/5)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<p><b>A Direct transfer of funds by governments</b></p> <p>- <i>a1 Subsidies and grants</i></p> <p><i>(Subsidies granted for investments to enhance shipyards production)</i></p> <p><i>[Note: Italy has advised that the measure is now terminated, and in due course will be removed from the Inventory]</i></p>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
<p>Ministry of Infrastructures and Transport</p> <p>Law No. 522/99 art. 4 Grant</p>			
<b>3. Outline/explanation of the measure</b>			
<p>Interest subsidy –</p> <p>Aids were granted to shipyards, enrolled in the Special Registers, for investments aimed to enhance production of existing shipyards. Subsidy is granted to a maximum level fixed at 22.5% and at 12.5% of the investment, according to the region where the shipyard is located ( art. 87, subsection 3, letters a and c) as indicated in the EU Treaty and modified by the Amsterdam Treaty – law dated 16 June 1998, No 209.</p> <p>Italy has reported that Law No 522/99 provided grants to shipyards that were enrolled in the Special Register, for investments aimed to enhance production of existing shipyards. The budget ended in 2003. The Law No 244/2007, art. 4, refinanced the same Law to complete the unfinished projects only for two years (2008-2009). The grants are now completed, and the measure has been <i>terminated</i>.</p>			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Euro (EUR) - millions	4.80	5.40	0
USD - millions	7.02	7.53	
Exchange rate [EUR/USD]	1.463	1.395	
<b>5. Notes (if any)</b>			

## ITALY

(2/5)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
<p><b>B Indirect transfer of funds by governments</b></p> <p>- <i>b1 Subsidies and grants</i></p> <p><i>(Measures for investments in the naval sector – subsidies to ship owners)</i></p>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
<p>Ministry of Infrastructures and Transport</p> <p>Law No. 88/01 dated 16 March 2001</p>				
<b>3. Outline/explanation of the measure</b>				
<p>Purpose of the shipowner subsidy is to allow a level playing field for Italian and European shipyards on the market. The aid element of the subsidies provided cannot exceed the 9% of the contract value, according to ceiling established by the EEC Council Regulation n. 1540/98.</p>				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency: Euro (EUR) - millions	10.00	42.10	47.30	47.15
USD - millions	14.63	58.73	62.81	62.94
Exchange rate [EUR/USD]	1.463	1.395	1.328	1.335
<b>5. Notes (if any)</b>				

## ITALY

(3/5)

## REFERENCE YEARS 2008-2011

<b>1. Type of the measure of support</b>				
<b>E: Export or Home Credits</b> - e2 <i>Export credit guarantee or insurance (pure cover)</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
SACE S.p.A				
<b>3. Outline/explanation of the measure</b>				
Support by way of export credit guarantee and insurance (pure cover) provided in accordance to OECD Sector Understanding on Export Credits for Ships (SSU): <ul style="list-style-type: none"> <li>a) directly to Italian shipbuilders (supplier credit)</li> <li>b) to financial institutions (buyer credit) financing the purchase of products and services related to Italian shipbuilding sector</li> </ul> Maximum repayment term: 12 years Minimum cash payment: 20% of the contract value				
<b>4a. Monies actually committed each year <sup>(1)</sup></b>	2008	2009	2010	2011
National Currency: Euro (EUR) million	460.70	1,970.60 <sup>(2)</sup>	872.30 <sup>(3)</sup>	-
USD - million	674.00	2,748.99	1,158.41	
Exchange rate [EUR /USD]	1.463	1.395	1.328	
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010	2011
	Not reported	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>				
(1) principal + interests (2) of which EUR 1,502 million supported without State guarantee (3) of which EUR 808 million supported without State guarantee (4) up to 31 <sup>st</sup> of March 2011				

## ITALY

(4/5)

## REFERENCE YEARS 2008-2010

<b>1. Type of the measure of support</b>			
<b>E: Export or Home Credits</b> - e1 <i>Export credit facilities (interest support)</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
SIMEST			
<b>3. Outline/explanation of the measure</b>			
Support by way of export credit interest support at CIRR provided in accordance to OECD Sector Understanding on Export Credits for Ships (SSU): a) to banks and financial institutions (buyer credit) financing the purchase of products and services offered by Italian shipbuilders Maximum repayment term: 12 years Minimum cash payment: 20% of the contract value			
<b>4a. Monies actually committed each year <sup>(1)</sup></b>	2008	2009	2010
National Currency: EURO (EUR) million	568.00	669.20	-
USD - million	830.98	933.53	
Exchange rate [EUR/USD]	1.463	1.395	
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			
(1) Principal + Interest			

## ITALY

(5/5)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
<b>K Support for Research and Development</b> <i>(Competitiveness increase on assessment of the trade effects of the subsidy)</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
Ministry of Infrastructures and Transport Grants Law No. 296/06 dated 27 December 2006 – art. 1 co. 1040 and co. 1041				
<b>3. Outline/explanation of the measure</b>				
To assist EU shipyards by means of new naval sector processes in order to develop a new class of ships. The maximum subsidy level is fixed at 150 Euros for each compensated gross ton (CGT) for product innovation project and at 5 million Euros for process innovation projects.				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency: Euro (EUR) - millions]	14.40	20.63	11.39	0
USD - millions	21.07	28.78	15.13	
Exchange rate [EUR/USD]	1.463	1.395	1.328	
<b>5. Notes (if any)</b>				
The date refers to funds expended until May 2011.				

## JAPAN

(1/4)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>E: Export or Home Credits</b> <i>- e1 Export credit facilities</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Japan Bank for International Cooperation (JBIC)			
<b>3. Outline/explanation of the measure</b>			
Officially supported export credits are granted to buyers or shipbuilders by JBIC, complying with terms and conditions under the Sector Understanding on Export Credits for ships.			
<b>4a. Monies actually committed each year*</b>	2008	2009	2010
National Currency: Japanese yen (JPY) - billion	Nil	11.18	38.67
USD - million	Nil	120.34	451.23
Exchange rate [USD/ JPY]**	103.47	92.90	85.70
<b>4b. Maximum financial exposure at end of each year*</b>	2008	2009	2010
National Currency: Japanese yen (JPY) - billion	74.60	73.71	75.28
USD - million	721.40	793.43	878.41
Exchange rate [ USD/JPY]**	103.47	92.90	85.70
<b>5. Notes (if any)</b>			
* Japanese fiscal year begins in April and finishes in March.			
** Exchange rate applied here is average rate in a calendar year.			

## JAPAN

(2/4)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>E: Export or Home Credits</b> - <i>e2 Export credit guarantee or insurance (pure cover)</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Nippon Export and Investment Insurance (NEXI)			
<b>3. Outline/explanation of the measure</b>			
Officially supported export credits are provided to buyers or shipbuilders by NEXI, complying with terms and conditions under the Sector Understanding on Export Credit for ships.			
<b>4a. Monies actually committed each year*</b>	2008	2009**	2010
National Currency: Japanese yen (JPY) - billion	Nil	21.68	36.32
USD - million	Nil	233.32	423.82
Exchange rate [USD/JPY] ***	103.47	92.90	85.70
<b>4b. Maximum financial exposure at end of each year*</b>			
National Currency: Japanese yen (JPY) - billion	19.66	32.70	63.33
USD - million	190.00	351.98	739.01
Exchange rate [USD/JPY]***	103.47	92.90	85.70
<b>5. Notes (if any)</b>			
* Japanese fiscal year begins in April and finishes in March ** The financial data in 2009 has been updated . *** Exchange rate applied here is average rate in a calendar year.			



## JAPAN

(3/4)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
E: Domestic or home credits - <i>e3 Home credits granted to a domestic ship owner or to other domestic third parties</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Development Bank of Japan (DBJ)			
<b>3. Outline/explanation of the measure</b>			
To build up a more comprehensive and sophisticated transport and distribution network in Japan, the DBJ finances, with commercial banks, to Japanese transport-related companies including ocean-going shipping companies.(Shipbuilders are not subject to this scheme.)			
This scheme covers projects to build a wide range of maritime transport related infrastructures, such as ocean-going vessels, warehouses, materials handling facilities, modernized terminals for physical distribution, and etc.			
These loans are provided in combination with those from private financial institutions.			
The interest rate is determined by the credit of the company and loan maturity, and as for a loan to ocean going ships, the loan allocation for the DBJ is 50% as of September 2008.			
<b>4a. Monies actually committed each year*</b>	2008	2009	2010
National Currency: Japanese yen (JPY) - billion	49.50	5.65	11.02
USD - million	478.40	60.82	128.55
Exchange rate [USD/JPY]**	103.47	92.90	85.70
<b>4b. Maximum financial exposure at end of each year*</b>	2008	2009	2010
National Currency: Japanese yen (JPY) - billion	236.90	203.90	178.8
USD - million	2,288.00	2194.80	2086.30
Exchange rate [USD/JPY]**	103.47	92.90	85.70
<b>5. Notes (if any)</b>			
* Japanese fiscal year begins in April and finishes in March.			
** Exchange rate applied here is average rate in a calendar year.			

## JAPAN

(4/4)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>K: Support for Research and Development</b> <i>(Grant for promotion of research and development of future ships)</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
The Ministry of Land, Infrastructure, Transport and Tourism			
<b>3. Outline/explanation of the measure</b>			
The project started in 2009, and it is intended for research and development of high level technologies for the reduction of CO <sub>2</sub> emissions from the international shipping sector (grant intensity is up to 33% of eligible costs).			
<b>4a. Monies actually committed each year*</b>	2008	2009	2010
National Currency: Japanese Yen -JPY million	80.00	791.84	757.83
USD - million	0.77	8.52	8.84
Exchange rate [USD/JPY]**	103.47	92.90	85.70
<b>5. Notes (if any)</b>			
* Japanese fiscal year begins in April and finishes in March.			
** Exchange rate applied here is average rate in a calendar year.			

## KOREA

(1/5)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
E: <b>Export or Home Credits</b> - <i>e1 Export Credit Facilities</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
The Export-Import Bank of Korea (KEXIM)				
<b>3. Outline/explanation of the measure</b>				
Export Credit Facilities are provided to a foreign buyer or a Korean shipyard by KEXIM, complying with terms and conditions under the Understanding on Export Credits for Ships of the OECD Arrangement on Officially Supported Export Credits.				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency: Korean Won - billion	1,473.00	760.00	915.00	1350.00
USD - million	1,171.14	596.00	791.00	1221.00
Exchange rate [USD/KRW]	1,257.50	1,276.80	1,156.70	1,105.40
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010	2011
National Currency: Korean Won - billion	7,495.00	7,565.00	6,724.00	5,902.00
USD - million	5,960.24	5,925.00	5,813.00	5,339.00
Exchange rate [USD/KRW]	1,257.50	1,276.80	1,156.70	1,105.40
<b>5. Notes (if any)</b>				
The data for Year 2011 is as of May 31, 2011. Commitment made is based on USD.				

## KOREA

(2/5)

## REFERENCE YEARS 2008-2011

<b>1. Type of the measure of support</b>				
<b>E: Export or Home Credits</b> - <i>e1 Export credit facilities (Pre-shipment loans to Korean shipyards)</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
The Export-Import Bank of Korea (KEXIM)				
<b>3. Outline/explanation of the measure</b>				
<p>The pre-shipment loans are provided to a Korean shipyard by KEXIM for financing construction of vessels. Term of loans is generally 6 months to 12 months depending upon the construction period of vessels. Terms and conditions are not more favourable than those commercially available; interest rate is comparable to the prevailing market rates.</p> <p>This program is not subject to the terms and conditions under the Understanding on Export Credits for Ships of the OECD Arrangement on Officially Supported Export Credits.</p>				
<b>4a. Monies actually committed each year</b>				
	2008	2009	2010	2011
National Currency: Korean Won - billion	604.00	2,618.00	2,108.00	622.00
USD - million	480.32	2,050.00	1,823.00	563.00
Exchange rate [USD/KRW]	1,257.50	1,267.80	1,156.70	1,105.40
<b>4b. Maximum financial exposure at end of each year</b>				
	2008	2009	2010	2011
National Currency: Korean Won - billion	260.00	1,310.00	896.00	827.00
USD - million	206.76	1,026.00	775.00	748.00
Exchange rate [USD/KRW]	1,257.50	1,276.80	1,156.70	1,105.40
<b>5. Notes (if any)</b>				
<p>The pre-shipment loans are not limited to shipbuilding but also available for other industries for financing construction/manufacturing of exports.</p> <p>The data for Year 2011 is as of May 31, 2011.  Commitment made is based on KRW.</p>				

## KOREA

(3/5)

## REFERENCE YEARS 2008-2011

<b>1. Type of the measure of support</b>				
<b>E: Export or Home Credits</b> - <i>e1 Export credit facilities (Network loans for SME subcontractors)</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
The Export-Import Bank of Korea (KEXIM)				
<b>3. Outline/explanation of the measure</b>				
Network loans were launched in March 2009, to improve liquidity of small-and-medium sized (SME) subcontractors for shipyards during construction period.  The terms and conditions are applied as the following: <ul style="list-style-type: none"> <li>- Term of loans is 6 months.</li> <li>- The loan disbursement is made directly by KEXIM to the SME subcontractors upon the delivery of goods to the shipyard while the shipyard remains as borrower.</li> </ul>				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency: Korean Won - billion	-	2,860.00	2,690.00	542.00
USD - million	-	2,240.00	2,326.00	490.00
Exchange rate [USD/KRW]	-	1,276.80	1,156.7	1,105.40
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010	2011
National Currency: Korean Won- billion	-	1,850.00	1,103.00	569.00
USD - million	-	1,449.00	954.00	515.00
Exchange rate [USD/KRW]	-	1,276.80	1,156.70	1,105.40
<b>5. Notes (if any)</b>				
Network loans are not limited to shipbuilding but also available for other industries for financing construction/ manufacturing of exports.  The data for Year 2011 is as of May 31, 2011. Commitment made is based on KRW.				

## KOREA

(4/5)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
E: Export or Home Credits - e2 Export credit guarantee or insurance (Export Credit Insurance)				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
Korea Trade Insurance Corporation(K-SURE)				
<b>3. Outline/explanation of the measure</b>				
Export Credits in the form of insurance are provided to a Korean shipyard or a foreign buyer, complying with terms and conditions under the Understanding on Export Credits for Ships of the OECD Arrangement on Officially Supported Export Credits.				
*Cash Settlement Guarantee: A short-term (less than 4 months) financing scheme to reduce the period for account settlements between exporters (large companies) and suppliers (SMEs); no limitation in export items.				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency: Korean Won - KRW - billion]	7,109.00	2,041.00	2,180.00	2,232.00
USD –million	5,653.30	1,598.00	1,884.00	2,019.00
Exchange rate [USD/KRW]	1,257.50	1,276.80	1,156.70	1,105.40
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010	2011
National Currency [Korean Won: KRW -Billion]	11,272.30	12,667.00	12,968.00	15,284.00
USD –Million	8,964.10	9,921.00	11,211.00	13,827.00
Exchange rate [KRW/USD]	1,257.50	1,276.80	1,156.70	1,105.40
<b>5. Notes (if any)</b>				
Each Credit amounts indicates the amount disbursed during each year.				
The reason for the decreases in 2009 compared to 2008: the global financial crisis caused significant decreases in the number of orders for ships and in shipbuilding finance.				
Money actually committed each year of the Cash Settlement Guarantee: KRW 438 billion (USD 343) in year 2009, KRW 350 billion (USD 303) in year 2010, and KRW 350 billion (USD 317) in May 2011.				
The data for Year 2011 is as of May 31, 2011.				

## KOREA

(5/5)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
<b>K: Support for Research and Development</b>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
The Ministry of Knowledge Economy				
<b>3. Outline/explanation of the measure</b>				
<p>The program is intended for priority technical areas that are in need for the common interest of the industry, and is in accordance with WTO rules.</p> <ul style="list-style-type: none"> <li>- Small and Medium Enterprise(Maximum: 75% of the total development cost)</li> <li>- Large Enterprise (Maximum: 50% of the total development cost)</li> </ul>				
<b>4a. Monies actually committed each year</b>				
	2008	2009	2010	2011
National Currency:[Korean Won - KRW - billion]	12.60	18.00	20.40	24.00
USD - million	10.00	14.00	17.60	21.70
Exchange rate [USD/KRW]	1,257.5	1,276.8	1,156.7	1,105.4
<b>5. Notes (if any)</b>				
The data for Year 2011 is budget of 2011.				

## NETHERLANDS

(1/3)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>				
<p><b>E: Export or Home Credits</b></p> <ul style="list-style-type: none"> <li>- <i>e2 Export credit guarantees or insurance</i></li> <li>- <i>e3 Home credits granted to a domestic ship owner or other domestic third party</i></li> </ul>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
<p>Authority/agency: The Dutch agency EVD is responsible for the measure. The EVD is part of the Dutch Ministry of Economic Affairs.</p> <p>Legislation(latest): Government Decree on the set-up, growth and transfer of Enterprises, paragraph 8 guarantee scheme for shipbuilding (Staatscourant, 17 December 2008, nr.245, p.15).</p> <p>This scheme is according to the framework rules on guarantees and financing of the European Commission.</p>				
<b>3. Outline/explanation of the measure</b>				
<p>The guarantee scheme for shipbuilding finance is a scheme covering loans granted by financial institutions – Dutch or foreign – to shipyards located in the Netherlands in order to finance the construction of new ships.</p>				
<b>4. Quantitative indication of the measure</b>		2008	2009	2010
National Currency: EURO		Nil	Nil	Nil
<b>4b. Maximum financial exposure at end of each year</b>		2008	2009	2010
		n/a	n/a	n/a
<b>5. Notes (if any)</b>				
<p>In the years mentioned there were no calls on the scheme.</p>				



## NETHERLANDS

(2/3)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>E: Home or Export Credits</b> <i>- e2 Export credit insurance</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Authority/agency: Atradius Dutch State Business Legislation: Kaderwet Financiële Verstrekingen Financiën.			
<b>3. Outline/explanation of the measure</b>			
Insurance against the risk of non payment of credits in relation to the export of ships, complying with terms and conditions under the OECD framework.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010 <sup>1</sup>
National Currency: Euro (EUR) - millions]	335.85	229.62	606.76
USD - millions	491.35	320.32	805.77
Exchange rate [EUR/USD]	1.463	1.395	1.328
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			
The figures consist of the total transaction amounts and do not contain transactions of military goods.			

<sup>1</sup> Please provide the most recent information available and specify the period in Notes.

## NETHERLANDS

(3/3)

REFERENCE YEARS: 2009-2011

<b>1. Type of the measure of support</b>				
<b>K: Support for Research, Development and Innovation.</b>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
<p>Authority/agency: The Dutch agency EVD is responsible for the measure. The EVD is part of the Dutch Ministry of Economic Affairs.</p> <p>Legislation: Government Decree on the state's Innovation Aid scheme for Shipbuilding (Staatscourant, 1 mei 2007, nr.83, p.9).</p> <p>The measure was approved by European Commission 1 February 2007 (No N 719/2006).</p>				
<b>3. Outline/explanation of the measure</b>				
<p>Support is provided to shipbuilding companies, ship repair companies and ship conversion companies. Innovation aid may be granted for the industrial application of innovative products and processes. These are technologically new or substantially improved products and processes when compared to the state of the art that exists in the European Community. The implementation of the innovative products or processes must carry a risk of technological or industrial failure.</p> <p>Innovation aid for the products or processes may be granted up to a maximum aid intensity of 20% of the eligible costs. These costs are limited to expenditure on investments, design, engineering and testing activities directly and exclusively related to the innovative part of the project. The aid scheme does not apply to projects for which, the total aid amount would exceed 150 euro per cgt for a ship and 5 million euro for new processes.</p> <p>This measure is within the EU Framework on State aid to shipbuilding.</p> <p><a href="http://ec.europa.eu/competition/state_aid/register/ii/doc/N-719-2006-WLWL-en-01.02.2007.pdf">http://ec.europa.eu/competition/state_aid/register/ii/doc/N-719-2006-WLWL-en-01.02.2007.pdf</a></p>				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency: Euro (EUR) - millions]	8.60	8.20	13.10	4.20
USD - millions	12.58	11.44	17.40	5.61
Exchange rate [EUR/USD]	1.463	1.395	1.328	1.335
<b>5. Notes (if any)</b>				
1) Amounts mentioned are actually committed in 2009 and 2010. The value for 2011 is an estimate.				

## NORWAY

(1/6)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<p><b>A: Direct transfer of funds by the Governments</b></p> <p>- <i>a1 Subsidies and grants</i></p> <p><i>(Temporary Defensive Mechanism to Shipbuilding (Midlertidig verftsstøtteordning)</i></p> <p><i>[Note: Norway has advised that the measure is now terminated, and in due course will be removed from the Inventory]</i></p>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
<p>The Ministry of Trade and Industry is formally and constitutionally responsible for the scheme. Eksportfinans ASA implements the scheme.</p>			
<b>3. Outline/explanation of the measure</b>			
<p>The Temporary Defensive Mechanism to shipbuilding was introduced in March 2003 as a response to similar measures implemented in the European Union. The objective was to ensure a level playing field. The mechanism was closed 31 March 2005. Since delivering of vessels can occur up to three years after the contract is signed, the scheme was finally settled and the last dispersals were in 2008.</p> <p>The overall objective of the scheme was to supply the Norwegian shipbuilding yards with tasks. The target group was shipbuilding yards in Norway. The scheme was applicable for building contracts that were carried out in Norway and involved container ships, product- and chemical tankers and LNG tankers. It was required that competition with a South Korean shipbuilding yard existed. Furthermore, it was required that the vessels were at least 100 gt and that they could navigate at open sea by own machinery and control system. The scheme did not include rebuilding.</p> <p>Under this scheme, contract related operation aid was calculated as a percentage of the contract price of the ship. The aid intensity was 6 percent. The contract price had to be adjusted for work not performed in Norway</p> <p>The Scheme was in accordance with the EFTA Surveillance Authority State Aid Guidelines.</p>			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Kroner –(NOK) - million	77.10	Nil	Nil
USD -Million	11.02		
Exchange rate [USD/NOK]	6.9989		
<b>5. Notes (if any)</b>			

## NORWAY

(2/6)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>E: Export and Home Credits</b>			
- <i>e1 Export credit facilities</i> ( <i>Eksportkreditter</i> )			
- <i>e3 Home Credits</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
The Ministry of Trade and Industry is formally and constitutionally responsible for the scheme. Eksportfinans ASA implements the scheme on a commission basis on behalf of the Government.			
<b>3. Outline/explanation of the measure</b>			
Norway operates a CIRR financing scheme for ships with 12 years tenor for both export contracts as well as contracts to domestic shipowners. The total outstanding loan balance for such loans represents:			
<u>2008:</u>			
<ul style="list-style-type: none"> <li>• Total amount in NOK 18,448 million, of which 13,488 million was in NOK; 4,944 million NOK was denominated in USD; and 16 million was denominated in EUR.</li> <li>• Total contracts for Norwegian buyers of ships intended for operation in international waters, including the Norwegian continental shelf were 5,391 NOK (29.22 % of total ship financing).</li> </ul>			
<u>2009:</u>			
<ul style="list-style-type: none"> <li>• Total amount in NOK: 20.933 million, of which 17.254 million was in NOK; 3.667 million NOK was denominated in USD; and 11 million NOK was denominated in EUR.</li> <li>• Total contracts for Norwegian buyers of ships intended for operation in international waters, including the Norwegian continental shelf, were 15.710 NOK (75.04.% of total ship financing).</li> </ul>			
<u>2010:</u>			
<ul style="list-style-type: none"> <li>• Total amount in NOK 19.509 million, of which 15.623 million was in NOK; 3.877 million NOK was denominated in USD; and 10 million was denominated in EUR.</li> <li>• Total contracts for Norwegian buyers of ships intended for operation in international waters, including the Norwegian continental shelf were 14.690 NOK (75.29 % of total ship financing).</li> </ul>			
The granted loans shall comply with the terms of the OECD Arrangement on Guidelines for Officially Supported Export Credits and its Sector understanding on Export Credits for Ships.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Kroner (NOK) - million	69.13	166.60	366.00
USD -Million	9.88	28.87	62.56
Exchange rate [USD/NOK]	6.9989	5.77	5.85
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes</b>			
The cost is incurred as the loans are disbursed, but only accounted for two years thereafter in the national budget. As such, the cost for 2009 above indicates the level of the subsidies for loans disbursed in 2007.			

## NORWAY

(3/6)

## REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>E: Export and Home Credits</b>			
<ul style="list-style-type: none"> <li>- e2 Export Credit guarantees or insurance</li> <li>- e3 Home Credits</li> </ul>			
<i>[General Scheme for export and home credit guarantees (Alminnelig Garantiordning)]</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
The Ministry of Trade and Industry is formally and constitutionally responsible for the scheme. The Norwegian Agency for Export Credits (GIEK) implements the scheme. GIEK is the central governmental agency responsible for furnishing guarantees and insurance of export credits.			
<b>3. Outline/explanation of the measure</b>			
GIEK offers suppliers credit, and buyers credit guarantees, and the General Guarantee Scheme is GIEK's main scheme. The scheme provides commercial and political risk coverage for exports as well as political risk coverage for investments. GIEK can accept foreign buyers (here defined as Export Credits) or Norwegian buyers of ships intended for operation in international waters, including the Norwegian continental shelf (here defined as Home Credits).			
Guarantee premiums for political risk are set in compliance with the OECD agreement on minimum premiums. For commercial risk the premiums are determined on the basis of risk evaluation and the level of premiums in the market. GIEK can cover up to 100 percent of political risk and normally up to 90% of commercial risk (95% in some cases if a general guarantee is issued).			
The guarantees shall comply with the terms of the OECD Arrangement on Guidelines for Officially Supported Export Credits and its Sector understanding on Export Credits for Ships.			
<b>4a. Quantitative indication of the measure (Export Credits)</b>	2008	2009	2010
National Currency: Kroner (NOK) - million	8,924.00	7,130.60	11,591.90
USD -Million	1,275.06	1,228.00	1,965.80
Exchange rate [USD/NOK]	6.9989	5.8065	5.8967
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported
<b>4a. Quantitative indication of the measure (Home Credits)</b>	2008	2009	2010
National Currency: Kroner (NOK) - million	2,886	6,914.60	12,106.70
USD -Million	412.35	1,190.80	2,053.10
Exchange rate [USD/NOK]	6.9989	5.8065	5.8967
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported

<b>5. Notes</b>	<p>Figures in the above table represent amount covered under new policies each year. Included in this reporting are both transactions covered and not covered by the SSU. However, GIEK applies the same underwriting guidelines and principles to home credits as to export credits. All transactions reported have a significant and often majority share of private sponsors. GIEK applies the same terms and conditions as the private sponsors as long as they are within the Consensus requirements.</p>		

## NORWAY

(4/6)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>	<b>K: Support for Research and development</b> <i>[Scheme for maritime development and innovation (Maritim Utvikling)]</i>										
<b>2. Authority/agency responsible for the measure and legal authority</b>	<p>The Ministry of Trade and Industry is formally and constitutionally responsible for the scheme. The scheme is implemented by Innovation Norway. Innovation Norway is the Norwegian government's primary agent for implementation of public innovation programs and schemes.</p>										
<b>3. Outline/explanation of the measure</b>	<p>The overall objective of the scheme is to increase RDI efforts within the maritime industry in Norway. The scheme consists of two parts. The first part concerns aid for research and development within the maritime cluster in Norway. Eligible projects may involve all types of companies in the maritime industry, in so far that the objectives of the project are coherent with the overall objectives of the scheme. The second part of the scheme concerns aid for innovation to shipbuilding. Innovation aid may be granted for shipbuilding companies, ship repair companies or ship conversion companies.</p> <p>Precompetitive development and technical feasibility studies are eligible for aid under the first part of the scheme. The table below illustrates the maximum aid intensity (gross, as % of eligible costs) under the scheme. There is in addition a bonus of 5% that are applicable to projects conducted in remote regions (regional bonus).</p> <table border="1" data-bbox="256 1473 1331 1666"> <thead> <tr> <th data-bbox="256 1473 588 1547"></th> <th data-bbox="588 1473 975 1547"><i>Precompetitive development</i></th> <th data-bbox="975 1473 1331 1547"><i>Technical feasibility studies</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="256 1547 588 1597"><i>Large enterprises</i></td> <td data-bbox="588 1547 975 1597">25 %</td> <td data-bbox="975 1547 1331 1597">50 %</td> </tr> <tr> <td data-bbox="256 1597 588 1666"><i>Small and medium sized enterprises</i></td> <td data-bbox="588 1597 975 1666">35 %</td> <td data-bbox="975 1597 1331 1666">60 %</td> </tr> </tbody> </table> <p>Eligible costs are:</p> <ul style="list-style-type: none"> <li>- Costs of personnel employed solely on the research activity</li> <li>- Costs of durable assets used solely and on a continual basis for the research activity (equipment and instruments)</li> <li>- Costs of consultancy and equivalent services used exclusively for the research activity, including the research, technical knowledge and patents, etc. bought from outside sources</li> <li>- Additional overheads incurred directly as a result of the research activity</li> </ul>			<i>Precompetitive development</i>	<i>Technical feasibility studies</i>	<i>Large enterprises</i>	25 %	50 %	<i>Small and medium sized enterprises</i>	35 %	60 %
	<i>Precompetitive development</i>	<i>Technical feasibility studies</i>									
<i>Large enterprises</i>	25 %	50 %									
<i>Small and medium sized enterprises</i>	35 %	60 %									

As for aid for innovation, the maximum aid intensity is 20% gross. However, the total aid amount for innovation cannot exceed EUR 150 per CGT for a ship or EUR 5 million for new processes. The aid is limited to support expenditure on investments, design, engineering and testing activities directly and exclusively related to the innovative part of the project. Additional production costs strictly necessary to validate the technological innovation can be eligible to the extent they are limited to the minimum necessary amount.

The scheme is in accordance with the Framework of State aid for research and development and Framework on State Aid to Shipbuilding in *The EFTA Surveillance Authority State Aid Guidelines*.

<b>4a. Monies actually committed each year</b>	2008	2009	2010
Aid to shipbuilding in National Currency: Kroner (NOK) - million	9.97	16.09	0
Aid to shipbuilding in USD - million	1.43	2.84	0
Total aid Program in National Currency: Kroner (NOK) - million	26.20	21.56	12.11
Total aid Program in USD -Million	3.74	3.79	2.03
Exchange rate [USD/NOK]	6.9989	5.6699	5.9792

#### **5. Notes**

Comment: The scheme was implemented in 2006. The budget for the scheme in 2006 was 20 million NOK, however only 2 million NOK were dispersed. The budget allocations for 2007-2009 were 15 million NOK each year. However, since the scheme is transferable it is possible that the grants in the latter period were higher than the budget allocation.

Note: There have been some minor changes in the EFTA Surveillance State Aid Guidelines, including maximum aid intensity, in the period 2007-2009.



## NORWAY

(5/6)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>K: Support for Research and Development</b>			
<i>[Research programme for maritime activity and offshore operations (MAROFF)]</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
The Ministry of Trade and Industry is formally and constitutionally responsible for the scheme. The Research Council of Norway implements the scheme. The Research Council of Norway is the Norwegian government's primary adviser concerning research policy.			
<b>3. Outline/explanation of the measure</b>			
<p>The overall objective of the scheme is to promote innovation and value creation in the maritime industry. This is a general scheme targeted to all industry, not only the shipbuilding industry. With regard to the maritime industry the program supports research, development and innovation activities. The target group is the ship-owner industry, the shipbuilding industry and equipment vendors. Companies and research institutions are encouraged to cooperate in order to ensure that new knowledge and competence is diffused.</p> <p>A research project cannot receive more than 50 % financing from the program. Private actors are required to supply a minimum of 50 %, but they usually contribute with a greater proportion of the financing.</p> <p>The scheme is in accordance with the EFTA Surveillance Authority State Aid Guidelines.</p>			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
Aid to shipbuilding in National Currency: Kroner (NOK) - million	3.25	8.11	8.25
Aid to shipbuilding in USD - million	0.46	1.43	1.38
Total aid Program in National Currency: Kroner (NOK) - million	126.60	119.10	150.10
Total aid Program in USD -Million	18.09	21.01	25.10
Exchange rate [USD/NOK]	6.9989	5.6699	5.9792
<b>5. Notes</b>			
Comment: For year 2009 the amount reported represents the budget allocation for the whole year.			

## NORWAY

(6/6)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>K: Support for Research and Development</b> <i>[Aid for research and development contracts (Forskning- og Utviklingskontrakter)]</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
The Ministry of Trade and Industry is formally and constitutionally responsible for the scheme. The scheme is implemented by Innovation Norway.			
<b>3. Outline/explanation of the measure</b>			
Aid, in form of grants, is given to cooperative research and development projects that are regulated by a contract between suppliers and customers. The scheme is available to all industries, not only the maritime industry. The main objective of the scheme is to increase innovation based on research and development carried out as cooperation between customers and suppliers.			
The table below illustrates the maximum aid intensity (gross, as % of eligible costs) under the scheme.			
	<i>Large enterprises</i>	<i>Medium sized enterprises</i>	<i>Small Enterprises</i>
<i>Industrial R&amp;D&amp;I</i>	50%	60%	70%
<i>Experimental development</i>	25%	35%	45%
Costs eligible for aid are personnel costs, overhead, current costs, consultancy and equivalent services and instrument and equipment. Only costs directly related to the accomplishment of the project are eligible. The condition is that the aid is necessary to start up and realise a project.			
The scheme is in accordance with Chapter 13 of the EFTA Surveillance Authority State Aid Guidelines.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
Aid to shipbuilding in National Currency: Kroner (NOK) - million	1.00	0.39	0.68
Aid to shipbuilding in USD - million	0.14	0.07	0.11
Total aid Program in National Currency: Kroner (NOK) - million	8.00	300.66	286.75
Total aid Program in USD -Million	1.14	55.57	47.96
Exchange rate [USD/NOK]	6.9989	5.4110	5.9792
<b>5. Notes</b>			

## POLAND

(1/7)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
A: Direct transfer of fund by Governments - <i>al Subsidies and grants</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Ministry of Economy			
<b>3. Outline/explanation of the measure</b>			
Refund of a part of participation costs in the market exhibition Support as the “de minimis” aid.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Zloty - PLN million	0.10	0.01	0.01
USD - million	0.03	0.01	0.01
Exchange rate [USD/PLN]	2.96	2.85	2.96
<b>5. Notes (if any)</b>			
Exchange rates of 31 December (2008, 2009, 2010)			

## POLAND

(2/7)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
C: Loans on terms and conditions more favourable than those commercially available			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Industrial Development Agency Co.			
<b>3. Outline/explanation of the measure</b>			
Support is provided to shipyards for implementation of restructuring programs			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Zloty - PLN million	166.00	103.33	0
USD - million	56.08	36.25	0
Exchange rate [USD/PLN]	2.96	2.85	
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			
Exchange rates of 31 December (2008/09)			

## POLAND

(3/7)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
D: Loan guarantees that support loans on terms and conditions more favourable than those commercially available			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Export Credit Insurance Corporation Co.			
<b>3. Outline/explanation of the measure</b>			
Support is provided to shipyards as individual guarantees for part of the contract prices of ships.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Zloty - PLN million	50.00	0	Not reported
USD - million	16.89	0	
Exchange rate [USD/PLN]	2.96		
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			
Exchange rates of 31 December (2008)			

## POLAND

(4/7)

## REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
E: <b>Export or Home Credits</b> <i>e2 Export Credits guarantee or insurance</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Export Credit Insurance Corporation Co.			
<b>3. Outline/explanation of the measure</b>			
Support is provided to shipyards as individual guarantees for part of the contract prices of ships.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Zloty - PLN million			
USD - million	Not Reported	Not Reported	Not reported
Exchange rate [USD/PLN]			
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
National Currency: Zloty - PLN million	47.00	0.00	46.02
USD - million	15.88	0.00	15.55
Exchange rate [USD/PLN]	2.96	2.85	2.96
<b>5. Notes (if any)</b>			
Exchange rates of 31 December (2008, 2010)			

## POLAND

(5/7)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
F: Governments taking over, or otherwise absolving industry from debts			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Industrial Development Agency Co.			
<b>3. Outline/explanation of the measure</b>			
Conversion of shipyard debts into stock capital.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Zloty - PLN million	110.99		
USD - million	37.50	Not reported	Not reported
Exchange rate [USD/PLN]	2.96		
<b>5. Notes (if any)</b>			
Exchange rates of 31 December (2008)			

## POLAND

(6/7)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>G: Government acquisition of interest in a yard</b> - <i>g2 Acquisition of shares or an interest in an enterprise</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Industrial Development Agency Co.			
<b>3. Outline/explanation of the measure</b>			
Increasing of the stock capital.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Zloty - PLN million	535.00	46.64	0
USD - million	180.74	16.36	
Exchange rate [USD/PLN]	2.96	2.85	
<b>5. Notes (if any)</b>			
Exchange rates of 31 December (2008, 2009)			



## POLAND

(7/7)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
K: Support for Research and Development (and Training)			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Ministry of Science and Higher Education / Polish Agency for Enterprise Development			
<b>3. Outline/explanation of the measure</b>			
Assistance in the form of subsidies for R&D and workers training.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Zloty - PLN million	0.06	0.03	0
USD - million	0.02	0.01	
Exchange rate [USD/PLN]	2.96	2.85	
<b>5. Notes (if any)</b>			
Exchange rates of 31 December (2008, 2009)			

## PORTUGAL

(1/3)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
C: <b>Loans on terms and conditions more favourable than those commercially available</b>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
<u>Agency responsible:</u> IAPMEI – (Institute for the Support of SMEs and Innovation)			
<u>Legal Authority:</u> Portuguese Ministry of Economy, Innovation and Development			
<b>3. Outline/explanation of the measure</b>			
<p>These Credit Lines were conceived to facilitate access to finance for SMEs through more favorable credit rates, and through the reduction of the risk factor by using mutual guarantee schemes.</p> <p>The loan is provided to the SME's in the form of credit under the Minimis Rule (Regulation n. ° 1998/2006 - European Commission). The Portuguese Agency supports the subsidization of the commercial interest rate on that loan.</p>			
<b>4a. Monies actually committed each year</b>			
	2008	2009	2010
National Currency: Euro (EUR) million	Nil	1.25	0.99
USD – million		1.74	1.31
Exchange rate [EUR/USD]		1.395	1.324
<b>4b. Maximum financial exposure at end of each year</b>			
	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			
The Credit Line of € 2,24 million has an associated Guarantee of € 1.20 million, involving 10 companies.			

## PORTUGAL

(2/3)

REFERENCE YEAR 2008-2010

<b>1. Type of the measure of support</b>			
<b>D: Loan guarantees that support loans on terms and conditions more favourable than those commercially available</b>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
<u>Agency responsible:</u> IAPMEI – (Institute for the Support of SMEs and Innovation) <u>Legal Authority:</u> Portuguese Ministry of Economy, Innovation and Development			
<b>3. Outline/explanation of the measure</b>			
<p>The Mutual Guarantee is a support system for Micro, Small and Medium-sized Enterprise (SMEs) based on mutualism. It grants them financial guarantees that facilitate access to loans, and technical guarantees, which provide adequate terms for investments and cycles of activities. The fact that the risk is shared with other financial entities makes these enterprises' access to credits easier. It also liberates banking funds and gives access to amounts, cost conditions and maturity which are adapted to the specific needs of these enterprises. The main objective of the Mutual Guarantee System is to stimulate investment, development, modernization and internationalization of SME.</p> <p>Interest rate and guarantee commission are directly related with the SME's risk profile.</p>			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Euro (EUR) - million	0	0.69	0.51
USD - million		0.96	0.68
Exchange rate [EUR /USD]		1.395	1.324
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			
To these guarantees are associated Credit Lines that amount to € 2.24 million.			

## PORTUGAL

(3/3)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
<b>E: Export or Home Credits</b> - <i>e1 Export Credit facilities</i> - <i>e2 Export Credit Guarantee or Insurance (pure cover)</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
COSEC, SA – Credit Insurance Company (on behalf of Portuguese State) Decree-Law n° 183/88, 24 May and Decree-Law n° 31/2007, 14 February				
<b>3. Outline/explanation of the measure</b>				
Two policies referring to the construction of two vessels – asphalt tankers each with a cash payment of 15% of the contract value. Repayment terms for both: 7 years; interest rate: Euribor 6M + spread 2,00%; repayment schedule: EPP; interval to first repayment: 6 months; total premium charged: 11,09% and 11,51% respectively of the credit value (in accordance with OECD rules).				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency: Euro (EUR) - million	-	-	-	145.21
USD - million				198.65
Exchange rate [EUR/USD]				1.368
<b>4b. Maximum financial exposure at end of each year*</b>	2008	2009	2010	2011
National Currency: Euro (EUR) - million	8.26	7.53	5.73	145.21
USD - million	12.08	10.50	7.59	198.65
Exchange rate [EUR/USD]	1.463	1.395	1.324	1.368
<b>5. Notes (if any)</b>				
*As at 30.04.2011. The amounts reported under 4b. for the years 2009 and 2010 are referring to monies committed in 2007. Figures include estimated interests.				

## ROMANIA

(1/1)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<p><b>F: Government taking over or otherwise absolving industry from debts</b></p> <p><i>(- Staging and exemptions from payment of debts and accessories</i>  <i>- Clearing of the debts through conversion of debt into shares)</i></p>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
<p>AVAS- The Authority for State Assets Recovery</p> <p>GO72/2002 on certain measures in order to end the privatization of the S.C. Santierul Naval SA Constanta</p>			
<b>3. Outline/explanation of the measure</b>			
<p>The amount of the State Aid actually awarded is the amount of the exemption and / or the staging of the budgetary obligations unpaid by companies, and in case of the conversion it was determined as the difference between the converted value and the amount paid by the buyer for the additional allocation of shares.</p>			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency : Lei - million	4.80	0	0
USD - million	1.90		
Exchange rate [USD/Lei]	2.5189		
<b>5. Notes (if any)</b>			
<p>The Decision of Competition Council no.314/2004 for Constanta Shipyard, authorized the State aid based on the Restructuring Plan, scheduled to be realized until the end of 2008.</p> <p>No subsidies or other financial support measures were granted to the shipbuilding industry in the period 2009-2010.</p>			

## SLOVAKIA

(1/1)

REFERENCE YEARS: 2007-2009

<b>1. Type of the measure of support</b>			
The Slovak Republic has reported that it has no government support measures for the shipbuilding industry.			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
<b>3. Outline/explanation of the measure</b>			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency :			
USD			
Exchange rate			
<b>5. Notes (if any)</b>			

## SPAIN

(1/3)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
A: <b>Direct transfer of funds by Governments</b>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Authority: Ministry of Industry ,Tourism and Trade			
Legislation: Royal Decree 442/1994 and its amendments Regulation (EC) N° 1177/2002 Regulation (EC) N° 502/2004			
<b>3. Outline/explanation of the measure</b>			
Support given under the Temporary Defensive Mechanism (TDM). Temporary and exceptional measure in order to assist Community shipyards in those segments of the market that have suffered adverse effects in the form of material injury and serious prejudice caused by unfair competition. The Temporary Defensive Mechanism ceased to be in force on the 31st. of March 2005. Payments are for commitments made before that date.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Euro (EUR) - millions	8.60	24.52	37.86
USD - millions	12.58	34.21	50.28
Exchange rate [EUR/USD]	1.463	1.395	1.328
<b>5. Notes (if any)</b>			

## SPAIN

(2/3)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>E: Export or Home Credits</b> - <i>e1 Export Credit Facilities</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Authority: Ministry of Industry, Tourism and Trade Legislation: Royal Decree 442/1994			
<b>3. Outline/explanation of the measure</b>			
Interest subsidy to banks granting credits in terms and conditions of the OECD Understanding on Export Credits for Ships. The subsidy is limited to a maximum of 100 basis points.			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Euro (EUR) - million	56.95	161.81	92.93
USD - million	83.60	225.72	123.41
Exchange rate [EUR/USD]	1.463	1.364	1.328
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010
	Not reported	Not reported	Not reported
<b>5. Notes (if any)</b>			
The figures in Item 4 are amounts approved but not yet fully paid. The payments are made during the credit life (12 years maximum) in accordance with the available budget.			



## SPAIN

(3/3)

REFERENCE YEARS: 2008-2010

<b>1. Type of the measure of support</b>			
<b>K: Support for Research and Development</b>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
<p>Authority: Ministry of Industry, Tourism and Trade</p> <p>Legislation: European Union Framework on State aid to shipbuilding. Community framework on State aid for research and development Royal Decree 442/1994</p>			
<b>3. Outline/explanation of the measure</b>			
<p>Grants to shipyards investing in Research and Development, with the aid limits set up in the EU Framework on State aid to shipbuilding and in the Community framework on State aid for research and development.</p>			
<b>4a. Monies actually committed each year</b>	2008	2009	2010
National Currency: Euro (EUR) - million	6.51	0.71	1.58
Equivalent in USD - million	9.52	0.99	2.10
Exchange rate [EUR/USD]	1.463	1.395	1.328
<b>5. Notes (if any)</b>			
The figures in Item 4 are quantities approved, to be paid in future years.			

## SWEDEN

(1/1)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
Sweden has reported that it has no government support measures for the shipbuilding industry.				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
<b>3. Outline/explanation of the measure</b>				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency				
USD - million				
Exchange rate				
<b>5. Notes (if any)</b>				

## CHINESE TAIPEI

(1/2)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
C: Loans on terms and conditions more favourable than those commercially available				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
Ministry of Economic Affairs (MOEA)				
<b>3. Outline/explanation of the measure</b>				
<p>1. Before Dec.18th of 2008, CSBC was government owned company, had greater credibility in the financial market.</p> <p>2. Since Dec.18th of 2008, CSBC is a private corporation in Chinese Taipei and does business with commercial banks based on the market.</p>				
<b>4a. Monies actually committed each year</b>				
	2008	2009	2010	2011
National Currency				
USD - million	Nil	Nil	Nil	Nil
Exchange rate]				
<b>4b. Maximum financial exposure at end of each year</b>				
	2008	2009	2010	2011
	Not reported	0	0	0
<b>5. Notes (if any)</b>				

## CHINESE TAIPEI

(2/2)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
<b>K: Support for Research and Development</b>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
Department of Industrial Technology and Ministry of Economic Affairs (MOEA)				
<b>3. Outline/explanation of the measure</b>				
MOEA grants research funds to a non-profit research firm, the United Ship Design & Development Center (USDDC). Its purpose is to promote the general technical capability (through technology transfer) of local small and medium-sized ship and boat builders.				
<b>4a. Monies actually committed each year</b>				
	2008	2009	2010	2011
National Currency: New Taiwan Dollar: TWD – million	77.73	85.92	67.02	76.09
USD - million	2.47	2.67	2.20	2.65
Exchange rate [USD/TWD]	31.517	32.206	30.512	28.665
<b>5. Notes (if any)</b>				

## TURKEY

(1/7)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
<b>A: Direct transfer of funds by Governments</b> <i>- al Subsidies and grants (Energy Support)</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
<p>The Undersecretariat of the Treasury is entitled as the implementing institution for the measure called “energy support” provided to undertakings under certain conditions. This measure is implemented in accordance with the provisions of Communiqué No: 2008/1 within the context of “Law No: 5084 on Encouragement of Investments and Employment and Amendment of Certain Laws”, which has been amended by Law No: 5350 and Law No: 5615.</p>				
<b>3. Outline/explanation of the measure</b>				
<p>Energy support is provided in the provinces which have a GDP per capita equal to or less than 1,500 US \$ as of 2001 and provinces which have a negative socio-economic development index value for 2003 as calculated by State Planning Organization.</p> <p>In order to benefit from this type of measure; undertakings should have certain number of employees. Energy support rate is applied as 20% of energy cost of the undertaking. Support rate increases 0.5 point for each additional employee above the minimum number.</p> <p>Energy support shall not exceed 50% of the electricity costs of the undertakings operating in Organized Industrial Zones or Industry Zones and 40% of these costs for the undertakings operating in other areas.</p>				
<b>4a. Monies actually committed each year</b>				
	2008	2009	2010	2011
National Currency: Turkish Lira (TRY) - million	0.12	0.10	0.05	n/a
USD - million	0.09	0.07	0.03	
Exchange rate [USD/TRY]	1.30	1.55	1.50	
<b>5. Notes (if any)</b>				

## TURKEY

(2/7)

REFERENCE YEARS: 2009-2011

<b>1. Type of the measure of support</b>			
<b>D: Loan guarantees that support loans on terms and conditions more favourable than those that would be commercially available to the benefiting enterprise</b>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
Treasury Support Scheme is a mutual programme enforced by both Turkish Treasury and Kredi Garanti Fonu A.Ş. This programme is implemented by Kredi Garanti Fonu A.Ş. and monitored by the Turkish Treasury.			
<b>3. Outline/explanation of the measure</b>			
Applications come from the partner banks of KGF. The max guarantee is limited to 65% with respect to the Treasury Support Scheme. In maritime sector, to be able to benefit from the programme at least 15% of the ship has to be completed of which 10% the ship has to be completed by the companies own resources.			
The guarantees provided with respect to Treasury Support Scheme do not contradict with European Union Competition Law.			
<b>4a. Monies actually committed each year</b>	2009	2010	2011/4
National Currency: Turkish Lira (TRY) - million	-	70.34	54.64
USD - million		45.50	36.20
Exchange rate [USD/TRY]		1.55	1.5092
<b>4b. Maximum financial exposure at end of each year</b>	2009	2010	2011/4
	Not Reported	Not Reported	Not Reported
<b>5. Notes (if any)</b>			
Turkish Treasury has provided a 1 billion TL counter-guarantee to Kredi Garanti Fonu A.Ş.-KGF (Credit Guarantee Fund) with 2009/15197 dated decree to be used for unfinished ships in maritime sector which enables KGF to provide guarantee in maritime sector starting from 11.11.2010. With respect to Treasury Support Scheme KGF has started to provide guarantee on February 2010 to SME's and December 2010 to maritime sector. There are two types with regard to loans in Maritime Sector: working capital and investment. In Working capital loans max limit per company is limited to 7 million TL, whereas in investment loans max limit is 20 million TL. For the same group companies the working capital limit is max 10 million TL and investment loan limit is 30 million TL. The availability period for Treasury Support Scheme is until 14.07.2011.			

## TURKEY

(3/7)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
E: <b>Export or Home Credits</b> - <i>e1 Export Credit Facilities</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
Turk Eximbank (Export Credit Bank of Turkey)				
<b>3. Outline/explanation of the measure</b>				
In the scope of Fourth Export Finance Intermediary Loan (EFIL-IV) signed between Turk Eximbank and the International Bank for Reconstruction and Development (IBRD), it is aimed to provide medium and long term investment and working capital support to the companies that operates in ship-building industry. This program has some eligibility criterias for borrowers as complying with financial ratios, environmental and occupational health and safety procedures and procurement procedure of IBRD for goods and works financed under EFIL-IV.				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency: Turkish Lira (TRY) - million	-	-	-	-
USD - million	-	-	-	-
Exchange rate [USD/TRY]	-	-	-	-
<b>4b. Maximum financial exposure at end of each year</b>	2008	2009	2010	2011
National Currency: Turkish Lira (TRY) - million	-	90.46	37.08	4.46
USD - million	-	53.68	21.88	2.79
EUR – million*		5.15	1.69	0
Total USD million:		60.82	24.12	2.79
<b>5. Notes (if any)</b>				
* Euros reported in USD equivalent using the exchange rate of Central Bank of Turkey (EUR/USD) as of December 31, 2009, 2010 and May 24,2011 drawn from <a href="http://www.tcmb.gov.tr">www.tcmb.gov.tr</a> .				
Evaluation of EFIL-IV in accordance with the OECD's Sector Understanding on Export Credits for Ships is summarized below.				
<ul style="list-style-type: none"> <li>No “minimum premium rate” application is applicable as the interest rates and other charges are determined specially by Turk Eximbank under the existing Export Financing Intermediary Loan Program (EFIL-IV).</li> </ul>				

- With regard to the provisions in relation with the “project financing” in the Arrangement, the repayment terms envisaged are 12 years after delivery. On the other hand, the basic financial demand in the shipbuilding sector in Turkey is to provide working capital at the manufacturing stage. Turk Eximbank finances the construction of ships under the EFIL-IV. At present, post delivery finance is not within the context of our program.
- Accordingly, the concept like “Weighted Average Life” mentioned in the Arrangement does not have any relevance on the repayments within the scope of our Program. But, the overall financing applications of our Bank represent parallel understanding with the Arrangement.



## TURKEY

(4/7)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
<b>H: Government revenue that is foregone or not collected</b> - <i>h4 Remission or drawback of import charges (Customs Duty Exemption)</i>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
The Undersecretariat of Treasury is the granting authority for the measure. The two legislative basis for the measure during the time period covered by the survey are the "Decree Concerning State Encouragements to Investments" (Decree No: 2006/10921, dated: October 6th, 2006) and the "Decree Concerning State Encouragements to Investments" (Decree No: 2009/15199, dated: July 17th, 2009). Although there seems to exist two separate decrees as legal basis for the measure, the latter is the successor of the first decree. In addition, the implementation, nature and characteristics of the measure are identical to each other in both decrees.				
<b>3. Outline/explanation of the measure</b>				
The measure is one of the encouragement tools offered under investment encouragement mechanism. For the investment projects which are evaluated and found eligible by the Undersecretariat of Treasury, imports of the machinery and equipment to be used in the production process shall be subject to the Customs Duty Exemption. Once the exemption is listed on the Investment Encouragement Certificate, the investor can import the machinery and equipment indicated on the approved list, namely the "Machinery and Equipment List" aiming only at the purposes of the investment in question, without paying any customs duties. As Turkey is in a Customs Union with the EU, all customs duties and charges having equivalent effect have been nullified between the parties, and tariffs are determined on rates defined as common customs tariffs for the third countries. Therefore above mentioned exemption is implemented only for imports from third countries.				
<b>4a. Monies actually committed each year</b>	2008	2009	2010	2011
National Currency : Turkish Lira (TRY)	n/a*	n/a*	n/a *	n/a *
USD				
Exchange rate				
<b>5. Notes (if any)</b>				
* The Investment Encouragement Program contains mainly tax-based encouragement measures and each project has its own characteristics and time period to be completed. The peculiar characteristics of this type of measures make it difficult to figure out the foregone revenues precisely.				

## TURKEY

(5/7)

REFERENCE YEARS: 2009-2011

<b>1. Type of the measure of support</b>			
<b>H: Government revenue that is foregone or not collected</b> - <i>h4 Remission or drawback of import charges (Tax Reduction)</i> <sup>2</sup>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
The Undersecretariat of Treasury is the granting authority for the measure. The legislative basis for the measure during the time period covered by the survey is the "Decree Concerning State Encouragements to Investments" (Decree No: 2009/15199, dated: July 17th, 2009).			
<b>3. Outline/explanation of the measure</b>			
According to the Article 32/A of Corporate Tax Law No.5520 corporate or income tax will be reduced by changing rates at different national regions.			
<b>4a. Monies actually committed each year</b>	2009	2010	2011
National Currency : Turkish Lira (TRY)	n/a*	n/a*	n/a*
USD			
Exchange rate			
<b>5. Notes (if any)</b>			
* The Investment Encouragement Program contains mainly tax-based encouragement measures and each project has its own characteristics and time period to be completed. The peculiar characteristics of this type of measures make it difficult to figure out the foregone revenues precisely.			

<sup>2</sup> Turkey has noted that shipyards cannot benefit from this support measure.

## TURKEY

(6/7)

REFERENCE YEARS: 2009-2011

<b>1. Type of the measure of support</b>			
<b>H: Government revenue that is foregone or not collected</b> - <i>h5 Full or partial exemption, remission or deferral of direct or indirect taxes or social welfare charges (Social Security Premium Support)</i>			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
The Undersecretariat of Treasury is the granting authority for the measure. The legislative basis for the measure during the time period covered by the survey is "Decree Concerning State Encouragements to Investments" (Decree No: 2009/15199, dated: July 17th, 2009).			
<b>3. Outline/explanation of the measure</b>			
The social security premium to be paid by employer, corresponding to the amount to be paid on minimum wage cost, is funded from the budget for changing time periods (2-7 years) at different national regions.			
<b>4a. Monies actually committed each year</b>	2009	2010	2011
National Currency : Turkish Lira (TRY)	n/a*	n/a*	n/a*
USD			
Exchange rate			
<b>5. Notes (if any)</b>			
* The Investment Encouragement Program contains mainly tax-based encouragement measures and each project has its own characteristics and time period to be completed. The peculiar characteristics of this type of measures make it difficult to figure out the foregone revenues precisely.			

## TURKEY

(7/7)

REFERENCE YEARS: 2008-2011

<b>1. Type of the measure of support</b>				
<p><b>H: Government revenue that is foregone or not collected</b></p> <p>- <i>h2 Exemption or remission of direct or indirect taxes or fiscal charges (Value Added Tax Exemption for imported and domestically purchased machinery and equipment)</i></p>				
<b>2. Authority/agency responsible for the measure and legal authority</b>				
<p>The Undersecretariat of Treasury is the granting authority for the measure. The two legislative basis for the measure during the time period covered by the survey are “Decree Concerning State Encouragements to Investments” (Decree No: 2006/10921, dated: October 6th, 2006) and “Decree Concerning State Encouragements to Investments” (Decree No: 2009/15199, dated: July 17th, 2009). Although there seems to exist two separate decrees as legal basis for the measure, latter is the successor of the first decree. In addition, implementation, nature and characteristics of the measure are identical to each other in both decrees.</p>				
<b>3. Outline/explanation of the measure</b>				
<p>If this measure is enlisted on the Investment Encouragement Certificate, imports and domestic purchases of machinery and equipment within the scope of approved machinery and equipment lists attached to the certificate are exempted from the Value Added Tax. The net subsidy amount of this measure varies depending on the rate of VAT, the time of purchase of machinery and equipment, market interest rate and whether the company is in operation or not at the time of purchase.</p>				
<b>4. Quantitative indication of the measure</b>	2008	2009	2010	2011
National Currency: Turkish Lira (TRY)	n/a *	n/a*	n/a *	n/a *
USD				
Exchange rate				
<b>5. Notes (if any)</b>				
<p>* The Investment Encouragement Program contains mainly tax-based encouragement measures and each project has its own characteristics and time period to be completed. The peculiar characteristics of this type of measures make it difficult to figure out the foregone revenues precisely.</p>				

## EUROPEAN UNION

(1/2)

REFERENCE YEARS: 2007-2009

*[The entries for the EU have not been updated as yet]*

<b>1. Type of the measure of support</b>	European Framework on State aid to shipbuilding		
<b>2. Authority/agency responsible for the measure and legal authority</b>	European Commission – Directorate General Competition		
<b>3. Outline/explanation of the measure</b>	<p>The objectives of this Framework, in addition to simplifying the applicable rules, are to:</p> <p>(a) encourage greater efficiency and competitiveness of Community yards, in particular through the promotion of innovation;</p> <p>(b) facilitate the reduction of economically non-viable capacity where necessary;</p> <p>(c) respect applicable international obligations in the field of export credits and development aid.</p> <p>In order to achieve these objectives, this Framework provides for specific measures in relation to aid for innovation, closure aid, export credits and development aid and regional aid.</p> <p>The framework was originally set to end in December 2006, but has been extended twice, and is currently set to expire in December 2011.</p> <p>For a full description. Please follow the link below:</p> <p><a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52003XC1230(01):EN:NOT">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52003XC1230(01):EN:NOT</a></p>		
<b>4a. Monies actually committed each year</b>	2007	2008	2009
National Currency: Euro (EUR)	n/a	n/a	n/a
Equivalent in USD – million			
Exchange rate			
<b>5. Notes (if any)</b>			

The Commission is responsible for authorising state aid under Article 87 of the EC Treaty and that all aid is prohibited unless authorised by the Commission. Therefore, Member States do not decide how much aid they can give - they have to operate within the rules set out by DG Competition.

The Commission aims at ensuring that all European companies operate on a level-playing field, where competitive companies succeed. It ascertains that government interventions do not interfere with the smooth functioning of the internal market or harm the competitiveness of EU companies.

Where there are exceptions, as set out under legislation, there exists a notification procedure which - except in certain instances- the Member States have to follow. It is only after the approval by the Commission that an aid measure can be implemented. Moreover, the Commission has the power to recover incompatible State aid.

**EUROPEAN UNION**  
(2/2)

**REFERENCE YEARS: 2007-2009**

<b>1. Type of the measure of support</b>			
Temporary Community Framework for State aid measures to support access to finance in the current financial and economic crisis.			
<b>2. Authority/agency responsible for the measure and legal authority</b>			
European Commission – Directorate General Competition			
<b>3. Outline/explanation of the measure</b>			
<p>A temporary framework (TF), launched in 2009, and in force until 31 December 2010. Member States can grant financing support to any sector at advantageous conditions, hence also to the shipbuilding industry. Often, Member States notify a scheme under the TF (for example, a scheme for granting subsidised loans or subsidised guarantees) which is approved by the Commission decision and thereafter can be used by the Member State to grant subsidies to any company without any further info having to be submitted to the Commission.</p> <p>Follow the link below, for a full description:  <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52009XC0407(01):EN:NOT">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52009XC0407(01):EN:NOT</a></p>			
<b>4a. Monies actually committed each year</b>	2007	2008	2009
National Currency: Euro (EUR)	n/a	n/a	n/a
Equivalent in USD - million			
Exchange rate			
<b>5. Notes (if any)</b>			