Appendix G

EXPORT INCENTIVES OFFERED BY EIGHT FOREIGN GOVERNMENTS

WEST GERMANY

Export Subsidies

Tax Rebates

There is a rebate of the value added tax on all goods exported.

Germany maintains free trade zones, where imports may be brought in without taxes or duties being levied. Imports for re-export will never have these duties levied, when shipped from the free zones. In addition to regular bonded warehouses where imports may be kept exempt from duties and taxes, certain private firms also maintain their own bonded warehouses. The parts imported to be re-exported with the assembled machine can be stored and used without payment of taxes and duties. Once paid, however, duties are not rebated.

Export Credit Insurance

Export credit insurance is provided jointly by two government agencies, both funded by the Federal Government. Guarantees cover the risk of insolvency and political risks, such as interdiction of payments, conversion and transfer delays and governmental measures likely to cause losses during the execution of an export contract. The exchange risk is not covered, except when the exporter has been compelled to accept a currency other than stipulated in the contract, or when he has obtained the Federal Government's authorization to accept a currency other than that stipulated in the contract.

Policies are both whole turnover and specific and cover up to 90 percent of the credit risk.

Export Credit Financing

The Deutsche Bundesbank, the German central bank, will rediscount paper for credits of between one and four years. In principle, rediscounted credits must be used to finance transactions with developing countries. There is no preferential export rediscount rate.