



**SCREENING CHAPTER 13
FISHERIES**

AGENDA ITEM 7: STATE AID

**Country Session: The Republic of TURKEY
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CONTENTS

- BRIEF INTRODUCTION TO STATE AID IN GENERAL
- STATE AID IN FISHERIES



Horizontal state aids provide support to enterprises including fisheries and aquaculture sector based on the requirements laid down by individual aid legislation.

Main horizontal state aid categories:

- ✓ de minimis aid
- ✓ training aid
- ✓ aid to small and medium sized enterprises
- ✓ employment aid
- ✓ state aid for research and development
- ✓ state aid for environmental protection
- ✓ state aid for risk capital



Instruments Used in State Aid Programs

- Exemption from customs and fund levies
- Value Added Tax exemption for imported and domestically purchased machinery and equipment
- Credit allocation from the Budget
- Income tax relief
- Compensation to social security employer contribution
- Free of charge land allocation
- Energy support



Eligibility Criteria

- Development level of the region where plant is to be established
- Employment opportunities created by the investment
- Certain limits for the amount of investment
- Size of the SME (for SME support)



Horizontal state aid programs are combinations of measures covering tax exemption, soft loans and grants etc. It is difficult to calculate breakdown of support according to sectors and type of instruments used.

For further details, see the presentations of the State Aid-Chapter 8: Competition Policy accessible on web through the page:

www.abgs.gov.tr/tarama/tarama_files/08/08AT_Annotated.htm



STATE AIDS IN FISHERIES

- I. Export Refund for Prepared and Preserved Fish
- II. Tax Relief Scheme for Diesel Oil Used in Fishing Vessels
- III. Aquaculture Support Scheme
- IV. Subsidized Credit Scheme for Fishermen and Fish Farmers



State Aids in Fisheries

euro

Type of aid	2005 Expenditure	2006 Estimated Expenditure
Export Refund For Prepared or Preserved Fish	637,144	634,920
Tax Relief Scheme for Diesel Oil Used in Fishing Vessels	45,860,000	49,832,026
Aquaculture Support Scheme	23,500,000	22,400,000
Subsidized Credit Scheme for Fishermen and Fishfarmers	589,996	827,267
TOTAL	70,587,140	73,694,213



I. EXPORT REFUND FOR PREPARED AND PRESERVED FISH



Export Refund for Prepared and Preserved Fish

Aim: To develop the export potential of fisheries products

Institution: Money-Credit and Coordination Council
(Decision making authority)
Undersecretariat for Foreign Trade
(Implementing body)



Instruments and Implementation:

Direct grant : The subsidies are provided to exporters in the form of deduction of their debts to the public bodies (taxes, social insurance premium costs, energy costs, telecommunication costs) from their subsidy entitlement.

The rate of the export refund for the exporters of prepared or preserved fish is 200\$/Ton.



II. TAX RELIEF SCHEME FOR DIESEL OIL USED IN FISHING VESSELS



Tax Relief Scheme for Diesel Oil Used in Fishing Vessels

Aim: To reduce the cost of fishing activity

Institution: Ministry of Finance (Decision making authority)
Undersecretariat for Maritime Affairs (Implementing body)



Instruments and Implementation:

Tax Relief: Diesel oil with no private consumption tax (PCT) is available for the fishing vessels that have fishing license and have been registered to Turkish National Register of Ships and Turkish International Register of Ships.



III. AQUACULTURE SUPPORT SCHEME



Aquaculture Support Scheme

Aim: To improve productivity and quality of aquaculture production

Institution: Ministry of Agriculture and Rural Affairs (MARA)



Instruments and Implementation:

Direct grant: The producers who hold the certificate of fish farming and, beginning from 2006, are registered to National Farmers Registration System (NFRS) can benefit from these aids.

Sea bass, sea bream	0.8 YTL/kg	48 cent/kg
Trout	0.6 YTL/kg	36 cent/kg
New Species	1 YTL/kg	60 cent/kg
Fry	0.05 YTL/fish	3 cent/fish



IV. SUBSIDIZED CREDIT SCHEME FOR FISHERMEN AND FISH FARMERS



Subsidized Credit Scheme for Fishermen and Fish Farmers

Aim : To promote sectoral activities

Institution : Undersecretariat of Treasury
(subsidizing the difference between the normal and subsidized rates of Ziraat Bank-
Decision making authority)
Ziraat Bank and Agricultural Loans
Cooperative Unions (ALCU)
(Implementing body)



Instruments and Implementation:

- soft loans to fishermen or fish farmers
- max. 250,000 YTL (149,745 Euros) for each fishermen or fish farmer
- max. 5 years maturity for investment loans
max. 18 months maturity for operating loans
- difference between the rates of Ziraat Bank imposes on farmers and market rate → subsidized by Treasury
- %30 subsidized loan for aquaculture (except bluefin tuna and carp production)
- %25 subsidized loan for fisheries



“State aid measures covered in this presentation reflect the current situation in Turkey, without any assessment with regard to maintaining them upon accession.”



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THANK YOU FOR YOUR ATTENTION