

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Trade and Development

INFORMATION ON STATE TRADING, SUBSIDIES AND TAXES IN INDUSTRIALIZED COUNTRIES

Corrigendum

Replace Section B on Subsidies under the NETHERLANDS appearing on pages 30-35 with the following:

B. Subsidies¹

1. Sugar and sugar-beets

In order to guarantee the Netherlands farmers a certain income from sugar-beets, a guaranteed price has been fixed for sugar-beets corresponding to a quantity of sugar equal to domestic demand for sugar for direct human consumption. A factory price has been established for sugar which enables the sugar industry to pay on the average the guaranteed price to the sugar-beet grower. As the domestic consumer price is derived from this factory price (by adding the excise tax and the normal trade margins) the guaranteed price is paid for by the Netherlands consumer. Consequently, no treasury funds are involved in the support system.

Quantities of sugar produced in excess of domestic demand are to be disposed of on the export market or sold to processing industries for export. In both cases the sugar will fetch only the world market price. As regards the producers' price guarantee, for the 1964 harvest this price amounts to f.75.30/100 kgs. of white sugar. This price corresponds to a sugar-beet price of f.65/1,000 kgs. As indicated above this price guarantee is limited to the quantity consumed on the domestic market. In order to make the price guarantee effective, a levy is imposed on import. This levy amounts to f.40/100 kgs. raw and refined sugar. The levy is reimbursed if the sugar is exported, either in the form in which it has been imported, or in the form of products containing sugar.

No support purchases whatsoever have been effected.

¹ National regulations concerning dairy products and pigmeat (bacon etc.) have been replaced by regulations in the context of the Common Agricultural Policy of the European Economic Community. See information given under the heading the European Economic Community.

2. Flax fibre

As the price for fibre flax or long fibres on the international market is low mainly due to the competition from other fibres, a subsidy is paid to the Netherlands processing industry. At present the flax industry is supported in most countries, so that the industry may be able to pay the desired price for the domestically produced raw material, the straw flax. To the Netherlands industry, which exclusively processes domestic straw flax, a subsidy has been granted as from 1962. The unit amount of subsidy granted has remained the same from the institution of the subsidy until 1964, f.20/1,000 kgs. processed domestic straw flax; for the 1965 crop this amount has been increased to f.25/1,000 kgs. The total subsidy amounted to:

| | |
|------|---------------|
| 1962 | f.1.3 million |
| 1963 | f.1.4 million |
| 1964 | f.1.5 million |

The principal effect of the subsidy is to contribute to the processing costs, as these would otherwise not be covered by the proceeds of domestic fibre flax, and thus to maintain a competitive position for this industry.

