

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## STATE TRADING

### Notifications Pursuant to Article XVII:4(a)

#### Addendum

#### AUSTRALIA

The report submitted by Australia in 1966 (L/2593/Add.2) should be amended by the addition of the following information on the Australian Honey Board which commenced limited trading in honey with the United Kingdom during the year 1967/68.

#### Australian Honey Board

I. The Australian Honey Board was established by the Honey Industry Act 1962, with functions described below in relation to trade in honey. The Act was amended in 1965 to extend the powers of the Board as stated hereunder.

#### II. Reason and purpose for introducing and maintaining the enterprise

The Australian Honey Board was established in 1962 at the request of the Australian honey industry. The industry, through the Federal Council of Australian Apiarists' Associations, asked the Government to provide for the establishment of a board to conduct promotional and research activities and to regulate Australian exports of honey.

By providing for regulatory export control, the first attempt was made at organizing the export marketing of Australian honey which, before the establishment of the Board, was conducted without any Government regulations. To facilitate this regulatory function, the exportation of honey was prohibited unless terms and conditions prescribed by Government regulations were complied with.

Australia in recent years has produced more honey than is required for local needs, so that the surplus (about 35 per cent of production in a normal year) finds its way into export markets.

#### III. Description of the functioning of the enterprise

The Board's control over exports extends to the licensing of Australian exporters and the issuing of export permits in respect of each shipment. Private traders are free to import honey and, subject to the regulatory conditions determined by the Board, to export honey to all destinations. Quantities to be exported are restricted only by availability and overseas demand.

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The Board can negotiate long-term contracts, but it rests with individual exporters to decide whether to accept the conditions negotiated.

The Board has appointed two agents to handle imports of Australian honey into the United Kingdom and Ireland.

The Board has power to determine minimum export prices for honey. It does in fact determine such prices, after consultation with the British agents, for all exports to European destinations. These prices are published weekly in an Australian national newspaper.

In 1965 the Board was given an extension of its powers to enable it to acquire and make advances against stocks of honey voluntarily offered to it for orderly marketing purposes. It has no power to acquire honey compulsorily.

The Board was also in 1965 given the power to borrow from the Commonwealth Reserve Bank under Commonwealth Government guarantee. The purpose of this was to enable the Board to obtain finance for the holding of stocks during periods of depressed prices in overseas markets. The first Board pool commenced on 1 September 1967. The Board proposes to sell the honey on export markets.

Due to low seasonal production the Board has acquired only small quantities of honey, which have been sold to the United Kingdom. It is not anticipated that the Board will be a major trader in honey, but that most honey will continue to be sold on a trader-to-trader basis.

The Board does not exercise any control over imports of honey. As Australia produces many varieties of honey and uses domestically only two thirds of its production, imports are small. Imported honey is usually of a selected variety or quality and enjoys a price premium over most locally-produced honey.

Intense competition to dispose of the Australian honey output ensures that domestic returns are no higher and, in fact, are often less than export returns for those grades that are comparable.

#### IV. Statistical information

##### Honey: Australia

Year	Production		Exports		Imports	
	Quantity ('000 lbs.)	Value (\$A '000)	Quantity ('000 lbs.)	Value (\$A '000)	Quantity ('000 lbs.)	Value (\$A '000)
1964-65	42,080	4,866	13,710	1,432	28.0	9.4
1965-66	39,985	4,103	16,234	1,646	29.5	8.4
1966-67	35,158	3,765	13,050	1,518	46.7	13.6

Note: All trade during the above three-year period was carried out by private traders. The small disposals by the Board mentioned above took place after 30 June 1967.

