

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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STATE TRADING

Notifications Pursuant to Article XVII:4(a)

Addendum

UNITED KINGDOM¹

The United Kingdom has submitted the information set out below concerning a major addition to its State-trading notification with regard to iron and steel. It has stated that on the other State-trading notifications there are no amendments, but has submitted up-to-date statistics in tables which amend those appearing in its basic notification.

It is further noted that the United Kingdom Government are at present reviewing the jute import arrangements.

I. Enumeration of State-trading enterprises

Iron and steel.

II. Reason and purpose for introducing and maintaining the State-trading enterprise

The Iron and Steel Act, 1967, which provided for the public ownership of the major part of the iron and steel industry, became law on 22 March 1967 and ownership of the fourteen major steel-producing companies in the United Kingdom was transferred to the British Steel Corporation on 28 July 1967. The British Steel Corporation, established by the Act, is a public corporation and its main statutory duties, as laid down in the Iron and Steel Act, 1967, are:

- (a) to promote the efficient and economical supply of iron and steel products by the nationalized steel industry;
- (b) to produce iron and steel products so as to satisfy the reasonable demands of manufacturing consumers in the United Kingdom;
- (c) to avoid undue preference and unfair discrimination in the supply of iron and steel products, but subject to ordinary commercial considerations or the public interest;
- (d) to take such steps as appear to them to be practicable and desirable to promote the export of any products by the nationalized industry;
- (e) to promote research and development;

¹Previous notifications were contained in L/1949/Add.4 as modified and supplemented in Corr.1, in L/2313/Add.1 and 2, and L/2593/Add.6 as modified by L/2741/Add.4.

- (f) to ensure that the combined revenues of the Corporation, and the publicly-owned companies, taking one year with another, at least cover their combined charges, after making proper provision for depreciation and allocation to reserves.

III. Description of the functioning of the State-trading enterprise

The Corporation exports substantial quantities of iron and steel products. Its imports, mainly raw materials, are for internal consumption. There is no governmental control of either imports or exports of iron and steel and private interests are free to compete with the Corporation on a commercial basis on both fronts. The quantities to be exported and imported are a matter for the Corporation's own commercial judgment as is the determination of its export prices. The Corporation's export prices are, to a large extent, dictated by those prevailing on the world market. The Corporation is free to enter into long-term contracts if commercial considerations so require. There are no contractual obligations between the Government and the Corporation.

IV. Statistical information

The first calendar year for which the Corporation's production and trading figures will be 1968. Figures for the Corporation's first twelve-months trading are at Annex A.

V. Reasons why no foreign trade has taken place (if this is the case) in products affected

Not applicable.

VI. Additional information

None.

ANNEX A

('000 tons)

Quarters	British Steel Corporation		Private sector	
	United Kingdom production	Exports	United Kingdom production	Exports
<u>1967</u>				
First	-	-	-	-
Second	-	-	-	-
Third	n.a.	789	n.a.	62
Fourth	5,547.1	800	547.8	74
<u>1968</u>				
First	5,642.9	892	592.1	78
Second	6,146.3	972	586.3	77
	17,336.4	3,473	1,726.2	291

ANNEX I¹

Statistics of Coal Trade and Production

	Tonnage ('000 tons)			Value (£'000)		
	1965	1966	1967	1965	1966	1967
(a) Imports	3	30	7	22	253	62
(b) Re-exports	-	-	-	-	-	-
(c) (i) Total exports	3,757	2,875	1,891	18,409	13,540	8,869
(ii) Exports from non-vested (licensed) mines and opencast sites included in (c)(i)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
(d) (i) Total home production						
Deep mined	180,167	167,556	165,059	824,444	829,400	887,200
Recovered slurry	1,100	1,500	2,710	1,380	1,950	3,650
Opencast	7,332	7,039	7,095	32,994	31,680	39,020
	188,599	176,095	174,864	858,818	863,030	929,870
(ii) Production from licensed mines included in (d)(i)	1,253	1,095	1,042	5,734	5,420	5,600

¹Replacing Annex I in L/2593/Add.6.

ANNEX II¹

Statistics of Jute Goods
(tons to the nearest hundred)

1967

IMPORTS

1.	<u>Yarn</u>	
	State trading	100
	Private trading	1,400
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	Total yarn	1,500
2.	<u>Cloth and sacks and bags</u>	
	State trading (cloth, sacks and bags)	4,900
	Private trading (cloth, sacks and bags)	45,000
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	Total	49,900
3.	<u>Total cloth</u>	42,400
	<u>Total sacks and bags</u>	7,500
	<u>Total 1 and 2</u>	
	State trading	5,000
	Private trading	46,400
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	Total	51,400

EXPORTS

Yarn	1,800
Cloth	3,900
Bags (new)	1,500
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Total	7,200

United Kingdom production

Yarn	112,000
Cloth	63,600
Sacks and bags	n.a.

¹Replacing Annex II, in L/2593/Add.6.

