

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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STATE TRADING

Notifications Pursuant to Article XVII:4(a)

Addendum

FINLAND

The Permanent Mission of Finland has submitted the following revised version of the 1972 notification contained in document L/3653/Add.1.

The notification in document L/3833/Add.2 that there has been no change to the 1972 notification is therefore no longer valid.

GRAINS

I. Enumeration of State trading enterprises

The State Granary has a monopoly in the foreign trade of grains. The trading and prices of domestic grains and protection of domestic production are in the first hand based on the following stipulations:

Law on promotion of the marketing of domestic grains. E.g. the share of domestic grain in milling is stipulated through this law.

The target prices of wheat, rye, feed barley and feed oats are determined yearly within the framework of the Law on Agricultural Prices. It is a duty of the State Granary through purchases to safeguard that the prices received by farmers correspond to the target prices.

II. Reason and purpose for introducing and maintaining State-trading enterprises

The objectives of the measures can be divided as follows:

- (a) To protect domestic production by means of regulating the imports and exports.

This is carried out through the monopoly of imports and exports by the State Granary (excluding the import and the export of malting barley and seed grain) through licensing and import levies (barley 25 pennies/kg., oats 12 pennies/kg., rye and wheat free of import levies).

- (b) The reduction of the consumer prices of certain grain products. This kind of system is valid inter alia for rye, where by means of so-called two-price system the price of rye bread and rye products is kept on a certain level. Most grain products have during the last few years been subject to price regulation.
- (c) The target of the official grain policy is to cover only domestic consumption and not to expand grain production above domestic needs. However, during the last few years, on account of the development in production techniques Finland has been obliged to export surpluses of wheat and oats (compare with the statistics in the Annex). The exports have been supported by export subsidies paid by the State. Since the crop year 1970-71 a marketing payment of 3 pennies/kg. of wheat has been collected from the producers. In the crop year 1973-74 the marketing payment for wheat was discontinued. In consequence of the high world market prices no export subsidy was paid in the crop year 1973-74.

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

- (a) The measures in question, as stated above, concern both imports and exports.
- (b) The import and export monopoly of grain has been in the hands of the State Granary. Private enterprises, however, had a possibility to import seed grain, malting barley and maize; the last one only for industrial purposes. However, in January 1974 the monopoly of the export of grains was given completely to the State Granary. Only the State Granary can export grains or it can take place on the permission of, or on the conditions determined by the State Granary.

In practice no competition exists between the State and private enterprises in foreign trade of grain.

- (c) Export and import quantities are in the first place dictated by practical needs and closer stipulations given by the Government. The imports of wheat have taken place only due to the reasons of quality (e.g. raw material for biscuit industry). Because of the shortage of feed the State Granary has imported maize in the crop year 1973-74.

Export quantities are determined on the base of production and domestic consumption possibilities. During the last few years Finland has been obliged to export surplus wheat and oats.

- (d) Export and import prices are determined in accordance with the world price level.

The State Granary sells the imported grain to the industry at the domestic price level, with the exception of rye, which is sold at reduced price to keep the price level of rye products low. Hard wheat, imported for the special purposes in 1973/74, has been sold at an import price, which has exceeded the price level of domestic wheat. The import price of maize has been reduced to the level of domestic coarse grain by the State subsidy.

- (e) Long-term contracts have been made with the Soviet Union (five-year contracts). Otherwise the import has taken place without long-term contracts. A separate contract concerning the import of grains has been made with Norway.

IV. Statistical informationIMPORT AND EXPORT OF GRAIN AND DOMESTIC PRODUCTION IN
THE YEARS 1971-73 ACCORDING TO THE CUSTOMS STATISTICS

	Import		Export		Production
	Tons	US\$'000	Tons	US\$'000	Tons
<u>1971</u>					
Wheat	23,614	1,842	23,835	1,643	443,400
Rye	19,820	1,342	-	-	131,600
Barley	11,673	1,282	11	2	1,054,200
Oats	-	-	86,926	4,353	1,423,700
Maize	14,224	1,100	-	-	-
<u>1972</u>					
Wheat	17,299	1,399	71,669	4,090	462,600
Rye	21,427	1,413	4	1	118,600
Barley	17,053	2,040	60,817	3,866	1,140,200
Oats	-	-	158,251	7,667	1,245,300
Maize	7,721	556	-	-	-
<u>1973</u>					
Wheat	21,165	2,534	135,909	15,361	462,000
Rye	16,996	1,589	4	1	124,200
Barley	10,945	1,263	9,799	740	992,200
Oats	18	7	16,984	1,643	1,169,400
Maize	14,693	1,688	-	-	-

ALCOHOLIC PRODUCTS

The State Alcohol Monopoly of Finland has an exclusive right in trading alcoholic products.

NATIONAL PRODUCTION OF YEAST, VINEGAR AND ETHYL ALCOHOL
IN 1971, 1972 AND 1973

		1971	1972	1973
Yeast	Kgs.	6,905,465	7,077,915	6,569,375
Vinegar	Litres	1,854,780	2,278,680	1,973,800
Ethyl alcohol	Kgs. 100%	21,273,890	20,438,600	25,368,998

IMPORT OF ALCOHOLIC BEVERAGES
IN 1971, 1972 AND 1973

(litres)

	1971	1972	1973
Vodka, gin, genever etc.	348,269	263,283	324,738
Cognac and brandy	1,377,894	1,453,938	1,370,859
Whisky	1,615,385	1,606,581	1,631,247
Liqueurs	407,600	393,254	375,758
Rum and arrack	762,269	1,058,014	1,086,272
Wines	9,992,856	12,302,530	14,768,909
Beer	940,415	990,272	975,374
Total quantity, litres	15,444,688	18,067,872	20,533,157
Total f.o.b. value	Fmk 38,086,361	Fmk 46,788,127	Fmk 56,610,507

EXPORT OF ALCOHOL, FUSEL OIL AND AMYL ALCOHOL
IN 1971, 1972 AND 1973

	Kg. 100%	Fmk
<u>1971</u>		
Ethyl alcohol	480,743	
Ethyl alcohol denatured	66,707	506,806
Fusel oil and amyl alcohol	-	-
<u>1972</u>		
Ethyl alcohol	228,272	
Ethyl alcohol denatured	9,865	247,272
Fusel oil and amyl alcohol	11,389	6,140
<u>1973</u>		
Ethyl alcohol	2,388,273	
Ethyl alcohol denatured	23,234	2,181,254
Fusel oil and amyl alcohol	20,040	22,374

EXPORT OF ALCOHOLIC BEVERAGES
IN 1971, 1972 AND 1973

	(litres)		
	1971	1972	1973
Vodkas	4,014,935	5,126,360	5,761,028
Liqueurs etc.	32,096	61,060	60,630
Wines	36	12,607	14,241
Beer	976,579	1,118,073	899,931
Total quantity, litres	5,023,646	6,318,100	6,735,830
Total value	Fmk 9,560,353	Fmk 13,407,168	Fmk 16,071,542