

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## STATE TRADING

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

#### Addendum

#### NORWAY

In Norway there are four State monopolies concerned with foreign trade: the State Grain Corporation, the Wine Monopoly, the State Fishing Equipment Corporation and the Norwegian Medical Import Centre. Within their powers these monopolies operate as independent institutions and are guided by commercial considerations in their import policy. No licensing requirements are imposed on the trading operations of these monopolies.

#### I. Enumeration of State-trading enterprises

##### A. The Norwegian Grain Corporation (Statens Kornforretning)

Wheat, rye, barley (except barley for breweries) and oats, and milled products thereof as well as feeding stuffs.

##### B. The Wine Monopoly (A/S Vinmonopolet)

Alcoholic beverages.

##### C. The State Fishing Equipment Corporation (Statens Fiskeredskapsimport)

Fishing gear and raw materials and semi-manufactures for the domestic production of fishing gear.

##### D. Norwegian Medical Import Center (Norsk Medisinal-depot - NMD)

Pharmaceutical products and drugs.

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

### A. The Norwegian Grain Corporation (Statens Kornforretning)

The Corporation was established for the purpose of ensuring the country's supplies of grain and flour, including grain seed. It has also responsibilities in connexion with support schemes for domestic grain production. Such schemes include price supports and assistance for construction of grain drying plants. The Corporation is required by law to maintain emergency stocks of grain. As Norway might be cut off from regular sources of supply of these essential products, of which Norway herself produces no more than one half of domestic requirements, the Corporation is considered to be an essential part of national defense preparedness.

### B. The Wine Monopoly (A/S Vinmonopolet)

The Wine Monopoly was established in 1922 with concession and rules laid down by Royal Decree of 31 March and decision by Parliament of 1 August. Formally the Wine Monopoly is a stock company. The share capital is now owned by the State.

The Wine Monopoly was established for social reasons in order to neutralize the private sales interests. The sales policy is directed at preventing the abuse of alcohol and promoting temperance.

As from 1 July 1932 the Wine Monopoly is organized according to Act of 19 June 1931, No. 18, and its activity is exercised in pursuance of a new concession laid down by Royal Decree of 13 May 1932, with later amendments.

### C. The State Fishing Equipment Corporation (Statens Fiskeredskapsimport)

The Corporation was established in order to ensure sufficient supplies of fishing gear at reasonable and stable prices to the fishermen. The fisheries are very vulnerable to fluctuating prices on the fish-products and also dependent on weather conditions and fish resources, making it necessary for the Government to secure stable prices for fishing gear.

In Norway the fishing gear is owned individually or collectively by the fishermen themselves. Any profit from the activities of the Corporation is to be used for the adjustment of the prices of fishing gear.

D. Norwegian Medical Import Centre (Norsk Medisinal-depot - NMD)

NMD is designed to establish and exercise control of the supply of pharmaceutical products and drugs, particularly in times of emergency. The purpose of NMD is also to stabilize prices of pharmaceutical products to consumers. This is achieved by fixing prices on the basis of medical or social criteria.

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

A. The Norwegian Grain Corporation (Statens Kornforretning)

The Corporation deals with both exports and imports, but exports are insignificant.

Private traders may not import or export products for which the Corporation has been granted the exclusive right to import and export, except in respect of exports of herring meal, which are carried out by private exporters.

In making its purchases the Corporation acts on the basis of purely commercial considerations. It is, as mentioned, responsible for procuring from abroad at the most reasonable prices the supplies required to meet one half of domestic consumption.

Long-term contracts are entered into when commercial considerations so require, p.t. the Corporation has entered into long-term contracts for deliveries from Canada, Finland, Sweden and the United States.

B. The Wine Monopoly (A/S Vinmonopolet)

The Wine Monopoly has the sole right to import and export wine and spirits. It has also the sole right to produce spirits within the country. Further the Wine Monopoly only has the right to sell spirits and wine to public caterers, as restaurants, hotels, bars, etc. as well as to private consumers, and to sell imported beer to caterers and retailers. The Monopoly has also the sole right to the import and sale of isopropanol and spirits for technical and medical use.

The quantities and qualities imported by the Monopoly are determined by public demand.

The export of spirits is relatively modest and depends on foreign demand. The export prices are fixed on a commercial basis.

The retail prices for spirits and wine consist mainly of taxes stipulated by Parliament. These taxes have specific as well as ad valorem elements. Equivalent taxes are levied on Norwegian and foreign brands.

The practice of the Monopoly is to purchase mainly on short-term contracts. The Monopoly operates as an independent trader, according to general rules laid down by the Government.

C. The State Fishing Equipment Corporation (Statens Fiskeredskapsimport)

The Corporation deals with imports only. It sells the imported commodities to domestic manufacturers of fishing gear, to wholesalers and repair shops. The greater part of the raw materials used for the production of fishing gear is imported.

Both production and exports of fishing gear are handled by private enterprises. The Corporation may issue permissions to private enterprises to import fishing gear themselves. The quantities to be imported are determined by demand.

The Corporation operates in accordance with normal commercial policy.

D. Norwegian Medical Import Center (Norsk Medisinal-depot - NMD)

NMD has in principle the exclusive right to import pharmaceutical products and drugs and to sell such products to dispensing chemists. In principle NMD also has the exclusive right to export pharmaceutical preparations.

Private manufacturers may, however, export their own products provided NMD consents.

Manufacturers of pharmaceutical products or drugs are required to apply to NMD for permission to import materials used in the manufacture of such products. Narcotics are imported solely by NMD.

The quantities imported by NMD are determined by demand. Sales prices of raw materials and pharmaceutical products and drugs to dispensing chemists are based on cost price to NMD with a certain mark-up. There is no difference in the calculation of the mark-up between domestic and imported products. Norwegian raw materials form only a small part of the products manufactured in Norway.

Long-term contracts have in certain cases been negotiated for the supply of raw materials after consideration of offers submitted by several suppliers, including suppliers from abroad.

IV. Statistical information

A. The Norwegian Grain Corporation (Statens Kornforretning)

Year	Imports of grain and feeding stuffs		National grain production
	Quantity	Value (c.i.f.)	
	'000 tons	NKr million	'000 tons
1972	880	374	810
1973	996	633	912
1974	857	781	1,128

In 1974 25,000 tons of oats were exported.

B. The Wine Monopoly (A/S Vinmonopolet)

See Annex.

C. The State Fishing Equipment Corporation (Statens Fiskeredskapsimport)

Sales figures for 1972, 1973 and 1974 for the State Fishing Equipment Corporation (all products sold are imported).

Products	Metric tons		
	1972	1973	1974
Yarns of synthetic fibres (continuous)	1,824.5	1,886.4	1,950.2
Twines of synthetic fibres (continuous)	1,284.2	1,372.0	1,000.2
Monof. yarns, synthetic	32.1	24.9	57.8
Yarns of synthetic fibres (discontinuous)	423.8	445.8	337.6

Metric tons

Products	1972	1973	1974
Cotton yarns	2.1	0	0
True hemp	117.8	139.7	157.9
Cordage and ropes, synthetic	56.4	37.2	47.5
Fishing nets, synthetic	162.6	83.8	235.0
	3,903.5	3,989.8	3,786.2
Total value in Nkr '000	49.4	51.5	65.6

D. Norwegian Medical Import Centre (Norsk Medisinal-depot - NMD)

Imports, exports and Norwegian production of pharmaceutical products.

Nkr '000

Year	Imports ex chapter 30	Imports by NMD	NMD's purchase from Norwegian producers	Exports ex chapter 30	Exports by NMD
1972	228,704	204,962	79,762	20,185	1,172
1973	273,110	249,234	85,723	20,173	377
1974	332,831	293,156	102,961	23,364	810

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

Question irrelevant.

VI. Additional information

None.

ANNEX

The Wine Monopoly

Statistical number (BTN)	Commodities	Imports						Exports	
		1972		1973		1974		1972	
		Litres '000	NKr '000	Litres '000	NKr '000	Litres '000	NKr '000	Litres '000	NKr '000
2203	Beer made from malt	497	1.263	472	1.259	666	1.928		
2204	Grape must								
2205	Wine of fresh grapes, etc.								
2206	Vermouths and other wines of fresh grapes flavoured with aromatic extracts	11,067	35.856	11,321	44.665	11,963	47.824		
2207	Other fermented beverages								
ex 2208	Ethylalcohol or neutral spirits undenatured of a strength of 80 degrees or higher	7,036	53.247	7,873	59.560	8,519	63.752	147	969
2209	Spirits (other than No. 2208) liqueurs and other spirituous, beverages, etc.								
2904	Isopropanol	432	321	437	329	629	988		

ANNEX

The Wine Monopoly

Statistical number (BTN)	Exports			Norwegian production							
	1973		1974		1971		1972		1973		
	Litres '000	NKr '000	Litres '000	NKr '000	Litres '000	NKr '000	Litres '000	NKr '000	Litres '000	NKr '000	
2203					165,581	546,146	168,373	573,823	172,124	625,307	
2204					-	-	-	-	-	-	
2205					-	-	-	-	-	-	
2206					227	-	270	-	202	-	
2207					607	2,133	457	2,176	298	-	
2208	160	1,239	181	1,592	38,254	-	35,722	-	35,468	-	
2209					3,910	-	3,722	-	4,035	-	
					<u>tons</u>		<u>tons</u>		<u>tons</u>		
2904					60,158	-	59,380	-	58,631	-	