

GENERAL AGREEMENT ON TARIFFS AND TRADE

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STATE-TRADING ENTERPRISES

Information Submitted Under Article XVII:4(a)
of the General Agreement in Response to the New Questionnaire
Reproduced in Document L/1014 of 3 July 1959¹

G R E E C E

I. Enumeration of State-trading enterprises²

There are State monopolies in Greece for

salt,
paraffin oil,
matches
cigarette paper,
playing cards,
saccharine,
narcotic drugs.

II. Reason for establishing and maintaining State-trading enterprises

The Greek monopolies, with the exception of the monopolies for narcotic drugs, saccharine and cigarette paper, were set up mainly for fiscal reasons, but they also serve the following purposes:

(a) The salt monopoly performs an important social function, in that it ensures the supply of salt to consumers at prices which they can afford.

(b) The State monopoly of narcotic drugs and of saccharine serves no fiscal purpose, but was set up in order to safeguard public health.

(c) The cigarette paper monopoly, too, has no direct fiscal object; it was set up to prevent the fraudulent manufacture of cigarettes. Cigarette manufacturers are permitted to import cigarette paper for their own account but these imports are subject to very strict special supervision by the competent fiscal authorities.

¹Alphabetical list of the notifications received from governments, see Appendix on last page of this document.

²Particulars of the activities of the Greek marketing offices for the importation of wheat and chemical fertilizers are supplied separately in the Annex.

III. Functioning of the State-trading enterprises

The salt monopoly is a monopoly of production, the quantities required for consumption being produced by the monopoly enterprise itself.

The production of salt by the monopoly enterprise is essential to ensure effective control and to prevent clandestine production, for, in view of the country's long coastline, it is very easy to make salt.

The monopolies of matches, playing cards, saccharine and narcotic drugs are import monopolies. These products may not be imported by private traders but only by the competent State authorities direct.

These products are bought in the international market by public tender. Such purchases are therefore in no way discriminatory.

The price of the products imported by the State-trading enterprises is fixed by a decision of the competent ministers, having regard to the purchase price, to which administrative expenses and in some cases an amount for the benefit of the exchequer are added.

No additional charge is, however, imposed in the case of narcotic drugs.

IV. Statistical information

The Greek authorities wish to point out that State trading, in the form of the above import monopolies, accounts for no more than a tiny share of Greece's total imports, as will be seen from the table below:

Products	<u>Imports by State-trading enterprises</u>					
	1957		1958		1959	
	tons	thousands of \$	tons	thousands of \$	tons	thousands of \$
Paraffin oil	65,706	2,736	77,600	2,500	14,094	437
Cigarette paper	80	111	80	122	80	120
Matches	1,053	213	-	-	263	49
Saccharine	-	-	1	120	-	-
Narcotic drugs	kg.20	40	kg.238	5	kg.200	4
<u>Imports by private enterprises</u>						
Cigarette paper	449	428	441	427	323	276
Total imports in thousands of dollars		525		564		565

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

Not applicable, except in the case of salt, for which see section III above.

VI. Additional information

Nil.

ANNEX

Particulars Concerning the Marketing of
Wheat and Chemical Fertilizers

The object of making the State responsible for wheat imports is to co-ordinate the production and importation of wheat, on the one hand, and the utilization of United States aid (under P.L. 480 concerning surplus commodities), on the other.

Wheat of United States origin is imported by the Ministry of Trade under the Mutual Aid Agreement concluded between the United States and Greek Governments.

Chemical fertilizers, sulphur and sulphates are also imported by the Agricultural Bank under the Government's authority (Act. No. 2022/1939). These products are purchased on the world market by tender without discrimination. Fertilizers may, furthermore, be imported freely by private enterprise.

The importation of fertilizers, sulphur and sulphates is intended to maintain the prices of these products at a uniform minimum level in all parts of the country.

The volume of imports of chemical fertilizers, sulphur and sulphates is fixed in the light of consumer demand. Care is taken, however, to build up reserves, in order to provide for any unexpected rise in the demand.

So far as wheat imports are concerned, both the needs of the flour market, which cannot always be satisfied out of home-grown varieties of wheat, and the possibilities of absorbing United States aid are taken into account, as are the possibilities of marketing the domestic production.

The price at which imported wheat is sold is fixed by the Ministry of Trade at a level higher than the cost. The resulting balance is intended to cover part of the budget deficit arising out of the purchase of home-produced wheat at a price above international levels and the sale of bread at low prices. By thus fixing the price of bread below cost, the object of the Greek Government is:

(a) to maintain the price of bread at a low level (since bread constitutes the basic food of the majority of the population),

(b) to influence the general cost-of-living index.

The gap between the price of imported wheat and that of home-produced wheat is shrinking steadily. This is due to the Government's effort to apply the programme of adjustment and diversification of agricultural production.

The price at which chemical fertilizers imported by the Agricultural Bank are sold is fixed at cost level.

APPENDIX

STATE-TRADING ENTERPRISES

Notifications received from governments and reproduced in addenda to document L/1014:

Australia	Add. 9	Israel	Add. 24
Austria	" 14	Italy	" 28
Belgium	" 12/Rev.1	Japan	" 16 & Corr.1
Brazil	" 23	Luxemburg	" 21
Cambodia	" 25	Malaya, Federation of	" 10
Canada	" 26	Netherlands	" 22
Ceylon	" 7	New Zealand	" 3
Czechoslovakia	" 18	Norway	" 17
Denmark	" 5	Rhodesia and Nyasaland,	
Finland	" 11/Rev.1	Federation of	" 4
Germany, Fed. Rep. of	" 15	Sweden	" 6
Ghana	" 8	Turkey	" 19
Greece	" 27	Union of South Africa	" 1
India	" 2	United Kingdom	" 13
		United States	" 20

