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GENERAL AGREEMENT ON TARIFFS AND TRADE

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STATE-TRADING ENTERPRISES

Notifications Pursuant to Article XVII:4(a)

CEYLON

I. Enumeration of State-trading enterprises

(1) The Food Supplies Ordinance No. 30 of 1947 makes provision for maintaining, controlling and regulating the supply of articles of food so as to secure their sufficiency, their equitable distribution and their availability at fair prices, and for this purpose it provides for the importation of certain essential articles of food solely by or on behalf of the Government.[1] In 1960 the scheduled articles were: Paddy, rice, wheat, wheat flour, sugar, sugar candy, palm sugar (jaggery), red onions, lentils and maldive fish. In 1961 the schedule was revised by the addition of: Bellary onions and Chickbelapur onions.

(2) The Commissioner, Commodity Purchase has alone been licensed by the Controller of Imports and Exports to export rubber, which is a regulated commodity under the Defence (Control of Exports) Regulations, to China.[2]

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[1] Section 4(1) of the Ordinance reads: "During the continuance in force of this Ordinance no person other than a person acting for or on behalf of the Crown shall import into Ceylon any quantity of any scheduled article".

[2] This regulation reads as follows:

THE DEFENCE (CONTROL OF EXPORTS) REGULATIONS

Section 3(1) Every commodity of any description whatsoever other than:

(a) A commodity the exportation of which is prohibited by any other law, or

(b) A commodity declared by Order of the Minister published in the Gazette to be a commodity to which these regulations shall not apply, is hereby declared to be a regulated commodity for purposes of these Regulations.

(2) Subject to any exemption which may be granted by Order of the Minister published in the Gazette, no regulated commodity shall be exported or re-exported from Ceylon, except under the authority of a licence issued by the Controller.

In 1962 the Commissioner, Commodity Purchase was licensed to export rubber to Rumania, Poland and Bulgaria in addition to China. These arrangements have been made to facilitate the working of the Trade Agreements that Ceylon has entered into with these countries.

(3) Fish, dried or salted was brought under State trading in 1961. The principle objective in introducing a State-trading monopoly for fish, dried and salted was to secure its sufficiency, equitable distribution and its availability at fair prices. The import of fish, dried and salted was brought under individual import licensing. Licences, however, were issued only to the Co-operative Wholesale Establishment.

(4) In July 1962, the CWE was made the sole importer of dried fruits - sultanas, raisins and walnuts. In August 1962, the CWE was made the sole importer of cummin seed. These arrangements have been made to facilitate the working of the Trade Agreement which Ceylon has entered into with Iran.

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

The CWE of Ceylon was started in 1943, as an emergency Government activity to handle the imports of essential foodstuffs for distribution through the medium of Co-operative Stores Societies. The organization, however, was divorced from direct Government control and reconstituted into a statutory corporation, under the CWE Act No. 47 of 1949. It, however, remains wholly financed by the Government and comes under the purview of the Ministry of Commerce, Trade, Food and Shipping.

The objects of the CWE as defined in the Act are:

(a) To procure and supply the requirements of Co-operative Societies and Unions.

(b) To carry on business as importers and exporters and as wholesale and retail dealers in goods of every description.

(c) To carry on any such trade or business as may be incidental or conducive to the attainment of these objectives.

(d) To carry on the business of insurance of every description.

The CWE has developed into a general importing organization though it continues to serve as a medium of distribution to the Co-operative Stores Societies. Its wholesale business is not confined, however, to selling to such societies as it sells wholesale to private retailers. The CWE is engaged in retail sales as well. Apart from the fact that it is a State sponsored corporation, the CWE has enjoyed to date no special or exclusive privileges in its trading activities. On the contrary it has been engaged in free competition with the private trade. Fish, dried and salted, dried fruits and cummin seed are the only items in which it holds a special position as sole importer.

From 1 December 1962 the CWE became the sole shipper of tea to the United Arab Republic under an agreement signed between the CWE and the General International Trading Company, United Arab Republic. Here too, the arrangement was made to facilitate the working of the Trade and Payments Agreement between Ceylon and the United Arab Republic.

III. Statistical information

The statistical information concerning the State-trading question is given in the following annexes:

Food imports	Annex A
Rubber exports	Annex B
Imports of (i) fish, dried and salted, (ii) dried fruit - sultanas, raisins, walnuts - and (iii) cummin seed	Annex C

ANNEX A/ANNEXE A

STATISTICS OF IMPORTS/STATISTIQUES DES IMPORTATIONS

Item/Désignation du produit	1960 Volume (cwt.) ('000/en milliers)	1960 Value/Valeur (roupies/Rs.) ('000/en milliers)	1961 Volume (cwt.) ('000/en milliers)	1961 Value/Valeur (roupies/Rs.) ('000/en milliers)	1962 Volume (cwt.) ('000/en milliers)	1962 Value/Valeur (roupies/Rs.) ('000/en milliers)
Paddy	-	-	-	-	-	-
Rice/Riz	10,396	242,295	9,232	217,327	8,083	195,025
Wheat/Blé	5	90	6	106	2	40
Wheat Flour/Farine de blé	3,306	64,929	3,409	69,483	3,450	71,211
Sugar/Sucre	3,246	64,754	3,978	76,693	3,292	55,975
Sugar Candy/Sucre candi	2	110	8	442	9	503
Palm Sugar (jaggery/ Sucre de palme (jagré)	24	900	0.2	6	5	193
Red Onions/Oignons rouges	203	3,285	212	2,861	166	2,516
Dhall (lentils)/ Dhal (lentilles)	649	23,982	729	22,311	764	26,664
Maldive Fish/Poissons des îles Maldives	62	11,245	73	13,594	51	10,073
Onions, other/Oignons, autres	1,116	15,259	1,135	18,484	1,405	17,231

ANNEX B/ANNEXE B

STATISTICS OF EXPORTS/STATISTIQUES DES EXPORTATIONS

Export of Rubber by the Commissioner, Commodity Purchase*/
Caoutchouc exporté par le Commissaire chargé de l'achat des produits*

Item/Désignation du produit	1960 Volume/ Quantité (lb./livres) ('000/en milliers)	1960 Value/ Valeur (Rs/roupies) ('000/en milliers)	1961 Volume/ Quantité (lb./livres) ('000/en milliers)	1961 Value/ Valeur (Rs/roupies) ('000/en milliers)	1962 Volume/ Quantité (lb./livres) ('000/en milliers)	1962 Value/ Valeur (Rs/roupies) ('000/en milliers)
(i) China/Chine						
Latex Crepe/Crêpe latex	90	184	90	118	-	-
Sheet/Feuilles	85,646	120,371	42,521	59,915	82,368	115,554
(ii) Poland/Pologne						
Sole Crepe/Crêpe pour semelles	187	406	65	111	413	709
Latex Crepe/Crêpe latex	231	456	3,517	5,139	5,205	6,764
Scrap Crepe/Crêpe reconstitué	-	-	4,673	5,218	7,721	8,753
Other Crepe/Autre crêpe	-	-	1,546	2,224	239	306
Sheet/Feuilles	-	-	2,170	2,983	8,256	10,304
(iii) Rumania/Roumanie						
Sheet/Feuilles	8,336	14,842	4,039	5,227	6,483	7,903
(iv) Bulgaria/Bulgarie						
Sheet/Feuilles	-	-	-	-	4,409	5,527

*In the case of Poland, Rumania and Bulgaria only from 1962/Pour la Pologne, la Roumanie et la Bulgarie, seulement depuis 1962.

ANNEX C/ANNEXE C

Statistics of Imports of (i) Fish, Dried & Salted (ii) Dried Fruits-Sultanas, Raisins, Walnuts and (iii) Cummin Seed/
Statistiques des importations i) de poisson, séché et salé ii) de fruits secs-raisins de Smyrne et autres raisins secs, noix iii) de graine de cumin

Item/Désignation du produit	1960 Volume (cwt.)	1960 Value/Valeur ('000 Rs./en milliers de roupies)	1961 Volume (cwt)	1961 Value/Valeur ('000 Rs./en milliers de roupies)	1962 Volume (cwt.)	1962 Value/Valeur ('000 Rs./en milliers de roupies)
Fish, dried & salted sprats, dried (031-02.02)/ Poisson, séché ou salé - Sprats séchés (031-02.02)	165,564	18,771	89,786	8,707	29,555	2,097
Fish, dried or salted other (031-02.09)/Poisson, séché ou salé - Divers (031-02.09)	11,863	1,238	14,474	1,204	42,763	2,632
Fish, salted & dried (031-02.10)/ Poisson, salé et séché (031-02.10)	616,963	59,308	398,918	32,546	288,891	19,982
Prawns, dried (031-03.01)/ Bouquets séchés	24,594	2,985	11,337	1,203	12,371	1,335
Dried fruits - Raisins/ Fruits secs - Raisins secs	1,589	98	5,240	483	2,139	121
- Sultanas/Raisins de Smyrne	7,664	644	2,516	215	9,482	717
- Other (including walnuts)/ Autres (dont les noix)	224	39	370	57	972	93
Cummin Seed/Graine de cumin	36,533	3,601	30,350	2,248	40,557	3,047