

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5445/Add.6

14 July 1983

Limited Distribution

Original: English

## STATE TRADING

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

#### FINLAND

##### Finnish State Granary

I. The import and export monopoly of grains (wheat, barley, rye, oats, feed maize) has been granted to the Finnish State Granary. This organization is also obliged to hold reserve stocks and to stabilize domestic price level.

II. Starting 1 January 1981, new legislation was introduced about the State Granary. This legislation includes regulations about reserve stocks of grains, grain seeds and grass seeds. There is a target to create during 1981-87 reserve stocks from domestic production amounting to 900,000 tons, of which 400,000 tons bread grain (wheat and rye), 400,000 tons feed grains and 100,000 tons seed grains. These reserve stocks are to maintain self-sufficiency and to avoid unnecessary imports of grains.

III. Government confirms the purchase prices of domestic grains.

The State Granary has also the obligation to look after the disposition of domestic grain surpluses according to the instructions given by the Government for each crop year.

The market share of the State Granary has usually been about 25-30 per cent of the grain coming into trade.

The private grain trade and industry follow in practice these prices.

IV. Imports of grains are made only if domestic production does not meet consumption or reserve stocks threaten to fall below the minimum level confirmed by the Government. Private traders have the possibility to import rice, seed grains and malting barley. According to the new legislation exports of grain will be possible only after the reserve target has been reached.

As the domestic price level usually exceeds the world market prices, Government has to subsidize exports with budgetary assets. Imported grain is customarily sold to the domestic market at the domestic price level confirmed yearly by the Government. Wheat for the use of export-oriented industry and rye for the domestic mills are, however, sold at a cost price based on the actual import price.

Long-term contracts may be negotiated by the State Granary within the framework of general trade policy.

Statistics about imports, exports and production are enclosed.

V. Feed grain production and stocks have been sufficient for domestic consumption with the exception of crop year 1981/82.

Foreign trade

(a) Import

(million kg.)

	1977	1978	1979	1980	1981	1982
Wheat	11.0	148.4	236.3	314.3	375.4	308.2
Rye	-	19.5	111.6	5.0	50.4	96.3
Barley,	-	3.5	11.2	22.2	139.9	159.5
of which was						
exported as malt	-	3.5	11.2	22.2	13.7	21.5
Oats	-	-	-	-	41.5	176.1
Maize	-	-	-	-	-	165.8
<b>Total</b>	<b>11.0</b>	<b>171.4</b>	<b>359.1</b>	<b>341.5</b>	<b>607.2</b>	<b>905.9</b>

(b) Export

(million kg.)

	1977	1978	1979	1980	1981	1982
Wheat,	79.0	5.5	-	-	13.5	-
of which food						
aid or food						
gift	67.3	5.5	-	-	13.5	-
Barley,	263.2	147.8	44.5	14.0	-	-
of which						
food aid	-	4.8	17.7	14.0	-	-
Oats	167.3	5.4	12.9	-	-	-
<b>Total</b>	<b>509.5</b>	<b>158.7</b>	<b>57.4</b>	<b>14.0</b>	<b>13.5</b>	<b>-</b>

The Value of Import and Export 1977-1982 in FIM

	Import 1977	Export 1977	Import 1978	Export 1978	Import 1979	Export 1979	Import 1980	Export 1980
Wheat	5,651,878.28	32,892,812.54	93,706,198.13		154,939,650.02		238,602,964.02	
Rye			9,913,478.70		70,690,749.60		3,482,602.41	
Barley		124,438,090.47		52,946,072.26		11,622,908.29		
Oats		77,758,291.59		1,852,860.43		5,517,856.25		
WFP-barley				1,694,000.00		9,912,856.00		15,851,460.00
WFP-wheat		2,833,600.00 (wheat-flour)		2,530,000.00				
Maize	4,256,000.00		1,081,000.00		930,000.00		1,146,000.00	

Export = f.o.b.-basis

Import = c.i.f.-basis

The Value of Import and Export 1977-1982 in FIM (cont'd)

	Import 1981	Export 1981	Import 1982	Export 1982
Wheat	269,715,684.08		259,971,465.80	
Rye	47,522,367.00		77,446,506.22	
Barley	85,916,092.48		107,817,218.80	
Oats	30,977,132.54		120,537,261.30	
WFP-barley				
WFP-wheat		23,524,853.50		
Maize			103,876,096.10	

Export = f.o.b.-basis

Import = c.i.f.-basis