

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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STATE TRADING

Notifications Pursuant to Article XVII:4(a)

NORWAY

The following communication, dated 27 April 1984, has been received from the Delegation of Norway.

In Norway there are four State monopolies concerned with foreign trade: the Norwegian Grain Corporation, the Wine Monopoly, the Norwegian Fishing Equipment Corporation and the Norwegian Medical Depot. 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 Norwegian Fishing Equipment Corporation (Norges Fiskeredskapsimport)

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

D. Norwegian Medical Depot (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, 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 Norwegian Fishing Equipment Corporation (Norges Fiskeredskapsimport)

The Corporation was established in 1953 in order to ensure sufficient supplies of fishing gear at reasonable and stable prices to the fishermen. Norway has only a very limited production of a few types of synthetic fibres and is wholly dependent on imported raw materials for the domestic production of fishing gear. The Corporation therefore maintains a large stock of raw materials.

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.

As of July 1, 1975 the Corporation is organized according to the Act of 25 June 1965 relating to certain State Corporations, and from the same date the name was changed from "Statens Fiskeredskapsimport" to "Norges Fiskeredskapsimport".

D. Norwegian Medical Depot (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. NMD is able to influence prices of raw materials by choosing their suppliers. Prices for pharmaceutical specialities are fixed by the Norwegian Medicines Control Authority (SLK).

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 for the supplies required.

Long-term contracts are entered into when commercial considerations so require.

B. The Wine Monopoly (A/S Vinmonopolet)

The Wine Monopoly has the exclusive right to import and export wine and spirits. It has also the exclusive right to produce liquor within the country. Further only the Wine Monopoly 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 exclusive 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 Norwegian Fishing Equipment Corporation (Norges Fiskered-skapsimport)

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 Depot (Norsk Medisinaldepot-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.

Statistical information

A. The Norwegian Grain Corporation (Statens Kornforretning)

year	Imports of grain and feeding stuffs		National grain production
	Quantity	Value (c.i.f.)	
	1000 tons	NOK million	1000 tons
1981	369	923	1.134
1982	824	822	1.198
1983	503	523	1.080

B. The Wine Monopoly (A/S Vinmonopolet)

See Annex

C. The Norwegian Fishing Equipment Corporation (Norges Fiskeredskapsimport)

Sales figures for 1980, 1981 and 1982 for the Norwegian Fishing Equipment Corporation (all products sold are imported).

Products	1980	1981	1982
Yarns of synthetic fibres (continuous)	2.068,7	1.992,3	1.085,6
Twines of synthetic fibres (continuous)	793,3	678,5	450,8
Monof. yarns, synthetic	84,4	73,5	51,5
Yarns of synthetic fibres (discontinuous)	142,1	197,4	196,6
Cordage and ropes, synthetic	170,8	103,2	63,9
Fishing nets, synthetic	366,4	574,2	520,1
Tonn	3.555,7	3.639,1	2.368,5
Total value in NOK million	76,9	87,5	61,1

D. Norwegian Medical Depot (norsk Medisinal-depot-NMD)

Imports, exports and Norwegian production of pharmaceutical products.

NOK 1000.

Year	Imports ex chapter 30	Imports by NMD	NMD's purchase from Norwegian suppliers	Exports ex chapter 30	Exports by NMD
1981	633.800	602 000	205 563	75.500	1 653
1982	772.100	704 000	250 373	79.800	2 132
1983	846.000	801 000	286 377	101.300	7 569

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 MonopolyImports and Exports by the Wine Monopoly

Commodities	Imports						Exports					
	1981		1982		1983		1981		1982		1983	
	Litres '000	NOK '000	Litres '000	NOK '000	Litres '000	NOK '000	Litres '000	NOK '000	Litres '000	NOK '000	Litres '000	NOK '000
CCCN rumber												
2203 Beer made from malt	174	472	317	901	247	687						
2205 Wine of fresh grapes, etc.	17,921	108,459	11,026	70,365	17,281	117,048						
2206 Vermouths and other wines of fresh grapes flavoured with aromatic extracts	1,048	10,799	754	7,966	832	9,565						
2209 Spirits (other than No. 2206) liqueurs and other spirituous, beverages, etc.	9,921	116,598	6,966	86,158	8,872	113,614	477	9,529	196	4,492	446	11,126
2904 Isopropanol	937	2,888	925	2,477	1,608	4,262						

ANNEX
The Wine Monopoly

CCCN Number	Production					
	1981		1982		1983	
	Litres '000	NOK '000	Litres '000	NOK '000	Litres '000	NOK '000
2203						
2205						
2206	143		104		99	
2209	4696		3092		3021	