

GENERAL AGREEMENT ON

RESTRICTED

L/6297/Add.6

20 July 1988

TARIFFS AND TRADE

Limited Distribution

Original: English

SUBSIDIES

Notifications Pursuant to Article XVI:1

NORWAY

The following communication updates the information contained in L/6111/Add.21.

A. Agricultural Products

Chapter 1150 Appropriations according to the Agricultural Agreement

(a) Milk and milk products	3079,3
(b) Basic support on meat	479,3
(c) Regional price support on meat	492,2
(d) Price support on domestic grain	599,4
(e) Regional price support on domestic grain	138,9
(f) Freight subsidies on meat and eggs	87,0
(g) Market regulation for meat, eggs, fruit (incl. storing facilities)	269,6
(h) Area support arrangement for coarse fodder production	1032,3
(i) Area support arrangement for crop husbandry	127,4
(j) Structural and regional support per animal	1730,0
(k) Basic support on potatoes	86,6
(l) Other	1059,0

Chapter 1580 Appropriations for consumer price support

(a) Whole milk	693,0
(b) Skim milk	160,6
(c) Cheese	217,0
(d) Meat:	-
- Mutton and goat meat	

Estimated amount per unit

Price support according to unit of production
(based on the Agricultural Agreement for 1987/88).

	<u>NOK øre</u>)
The "basic price support" on milk	26,80 per litre
Price support on the first 20 000 litres ₂) of cow milk produced on each farm	214,00 " "
Price support for the following 10 000 l ₂) of cow milk produced on each farm	97,00 " "
Regional price support on milk varies from 13 to 60 øre per litre	
Regional price support on meat ₃)	150,00 per kg zone 1 530,00 " " zone 2
Price support on meat in Northern Norway ₃)	390,00 " "

Consumer price support

	<u>Nok per litre</u>
Wholemilk for consumption	1,67
(price support including VAT compensation)	1,82
Skim milk	5,60
Cheese	0,00
Flour	
Meat	
- mutton and goat meat	2,10

- 1) 1 NOK = 100 NOK øre.
- 1) Goatmilk receives 428 NOK øre/l for the first 10 000 l and 194
- 2) NOK øre/l for the next 5 000 l.
- 3) Except pork and poultry meat.
- 4) Proposed reduced with 1,58 NOK/kg in 1986.

The following tables show developments in production, exports, imports and consumption of major agricultural commodities.

Table 1 Cowmilk

<u>Year</u>	Received by dairies <u>in million litres</u>	Consumption, million <u>litres</u>	
		<u>Whole milk and skimmed milk ¹⁾</u>	<u>Cream</u>
79	1742	769	27,2
80	1808	828	27,5
81	1825	814	27,9
82	1880	810 ²⁾	28,0
83	1855	820	28,3
84	1857	822	29,1
85	1817	817	29,6
86*	1820	827	30,0
87**	1852	839	30,2

Source: Budget Committee for Agriculture.

* provinsional figures.

1) Including condensed and dued milk

2) Break in the series, new method of calculation from 1982 and on.

Table 2 Cheese (1.000 tons)

<u>Years</u>	<u>Production</u>	<u>Exports</u>	<u>Imports</u>	<u>Consumption</u>
79	67,6	20,8	1,4	48,9
80	69,6	18,8	1,3	50,9
81	71,6	21,2	1,2	51,4
82	73,2	20,0	1,3	50,0
83	65,3	20,6	1,9	51,3
84	69,9	17,6	2,0	50,8
85	70,1	19,7	2,0	52,7
86*	73,9	19,8	2,1	54,9
87**	76,0	22,3	2,1	55,9

Source: Budget Committee for Agriculture

Table 3 Butter (1 000 tons)

<u>Year</u>	<u>Production</u>	<u>Exports</u>	<u>Imports</u>	<u>Consumption</u>
79	20,5	0,4	1,7	22,0
80	21,7	0,5	1,8	23,2
81	23,1	2,8	-	19,5
82	24,6	3,6	-	19,8
83	26,9	7,3	-	19,6
84	25,4	4,8	-	19,4
85	25,2	6,2	-	20,1
86*	24,5	4,5	-	19,4
87**	26,8	6,5	-	19,4

Source: Budget Committee for Agriculture

* Provisional figures

** Forecast

Table 4 cereals (million kg) 1)

<u>Year</u>	<u>Production</u>	<u>Exports</u>	<u>Imports</u>	<u>Consumption 2)</u>
<u>Wheat</u>				
79	67,0	375,2	9,2	375,4
80	65,0	360,8	4,6	363,1
81	57,7	453,0	4,1	420,0
82	75,4	393,1	3,2	445,4
83	96,8	267,1	3,1	345,0
84	170,3	253,6	4,3	369,2
85	170,0	199,5	3,6	371,0
86*	165,3	327,8	3,2	394,0
87**	198,9			378,0
 <u>Rye</u>				
79	5,4	43,7	2,1	41,3
80	4,7	81,7	2,9	42,0
81	2,9	24,1	2,3	39,2
82	2,2	35,9	1,7	37,9
83	3,4	47,5	1,6	33,5
84	6,1	37,7	1,9	33,8
85	3,4	28,6	1,9	33,1
86*	3,0	63,7	1,8	33,7
87*	3,5			34,0

Barley

79	548,3	47,0	-	643,0
80	651,0	52,1	-	596,7
81	609,7	14,0	-	603,5
82	624,4	41,1	-	486,1
83	569,3	41,3	-	567,6
84	658,1	35,1	0,1	596,9
85	600,9	26,3	-	559,1
86*	533,4	140,2	0,2	656,7
87**	653,0			808,0

Source: Central Bureau of Statistics.

Oats

79	367,2	2,8	-	345,3
80	428,6	6,6	-	365,9
81	464,3	2,0	13,9	374,3
82	495,8	1,3	13,8	409,3
83	401,1	2,9	-	467,5
84	581,6	0,4	0,1	460,8
85	494,2	0,8	-	519,6
86*	407,1	1,7	-	513,5
87**	528,4			400,0

Source: (Production): Budget Committee for Agriculture

Source: (Imports, Consumption); Norwegian Grain Corporation

* Provisional figures

** Forecast

- 1) Production + Import - Export may differ from the consumption figures. These differences are due to changes in stocks and storing losses.
- 2) Consumption of food grain, feed grain and sow grain.

Table 5 meat (million kg)¹⁾

<u>Year</u>	2 Gros sale + utilization on farms (by the farmers holdings)	<u>Imports</u>	<u>Exports</u>	<u>Consumption</u>
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Beef and vealImport¹⁾

79	71,5	8,9	0,9	97,6
80	69,3	12,7	1,1	80,7
81	75,4	3,9	2,2	70,7
82	80,2	1,3	6,4	76,3
83	75,0	1,5	7,6	68,9
84	69,6	1,4	2,6	71,7
85	73,1	2,1	0,8	74,6
86*	74,8	3,9	0,4	79,3
87**	74,1	2,8	-	77,0

Mutton

79	18,8	3,6	-	22,4
80	18,4	3,3	-	22,1
81	20,8	1,8	-	20,2
82	22,8	0,9	-	22,4
83	22,7	0,3	-	23,8
84	23,9	0,4	-	23,6
85	24,2	0,4	-	24,6
86*	25,0	0,8	-	22,7
87**	23,0	0,6	0,4	23,2

Pork

		Svine			
		<u>kiøtt</u>	<u>spekk</u>		
79	78,9	5,7	1,5	-	86,2
80	83,1	5,9	1,6	-	90,0
81	83,0	1,6	1,3	2,5	81,2
82	81,4	2,6	1,6	12,7	75,7
83	81,3	2,4	1,3	3,1	80,9 Inkl.
84	84,2	2,4	1,3	6,0	80,8 import
85	83,8	4,2	1,2	6,3	85,0 spekk
86*	85,7	2,0	1,2	0,6	87,1
87**	89,6	-	1,2	3,7	87,1

Table 5 meat (million kg)¹

<u>Year</u>	<u>2 Gros sale</u> + utilization on farms (by the farmers holdings)	<u>Imports</u>	<u>Exports</u>	<u>Consumption</u>
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Poultry meat

79	9,8	0,5	-	10,9
80	10,9	0,4	-	11,3
81	10,7	0,5	-	10,0
82	9,9	0,4	-	11,4
83	10,7	0,4	-	11,1
84	10,9	0,5	-	12,0
85	12,1	0,6	-	13,0
86*	13,2	1,6	-	14,8
87**	14,5	-	-	14,5

Eggs

	<u>Nettoprod.</u>			
79	44,9	0,7	1,6	43,9
80	44,8	1,0	-	45,8
81	45,7	1,1	0,6	46,3
82	48,6	0,6	1,0	48,0
83	50,7	0,1	1,9	48,2
84	52,4	-	2,6	48,9
85	51,9	0,3	1,8	49,5
86*	51,3	0,8	1,3	49,7
87**	52,3	-	-	49,8

1) The difference (between the figures) is due to changes in stock.

Source: Budget Committee for Agriculture

* Provisional figures

** Forecast

B. Fisheries (Annex 1, page 18)

I	INVESTMENT	MILLION NOK
1.1.	Loan Schemes; for investment in vessels, gear and other equipment.	97
	First mortgage loans; up to 60% of total investments. Maximum period: 15 years. Rate of interest 11.5%.	
	(State Fishery Bank)	
	Second mortgage loans; including first mortgage loans to 70 to 80% of total investment. Maximum period: 15 years. Rate of interest: 10%	9
	First mortgage loans up to 70% of total investment. Rate of interest: 14% Interest subsidy: 6,5% Period of 8,5 years Actual interest 7,5%	304
	Investment subsidy. Up to 15% of the vessels cost price. In parti- cular cases up to 20%	25
1.2.	Loans to the fish processing industry (State Fisherby Bank)	21
	Rate of interest: 11.5% Maximum period: 20 years	
1.3	Loans to the fish processing industry in certain designa- ted development	51
	Interest 11.5% Maximum period: 25 years	

	regions. (Regional Development Fund - RDF)		
1.4	Loan guarantees for financing processing plants located in certain designated development regions. (RDF).	Guarantees for loan: by private credit institutions.	29
1.5	Investment grants for processing plants located in certain designated regions (RDF)	Grants are fixed at maximum 15-35% (1984) 40% (1985) of approved investement cost, depending on where the investment is made.	53
II.	OPERATIONAL		
2.1	Subsidies to support landing prices of caertain species of fish.	Yearly fixed basic sum (a caertain amount per kilo or hectoliter)	60.2
2.2	Grants to reduce prices of bait and baiting stations	Bait (a certain amount per kilo) Baiting stations	12 4
2.4	Grants to improve efficiency in fisheries	Experimental work	60
2.5	Guarantee of minimum weekly income for fishermen	Maximum aid of NOK 1350 (1986) and 1,300 (1985) per head per week	120
	Vacation scheme		25
2.6	Grants to reduce		14

	insurance costs		
2.7	Loans and guarantees for fish processing and trade (short term credit) (Bank of Norway)	Loans and guarantees up to 70 to 100% of production costs. rate of interest: 11,5%	Maximum limit. NOK 440 mill. (of which max. NOK 200 mill. as loans)
2.8	Structural reorganization schemes covering the fishing fleet and the processing industry		182
	Readapting scheme		5

C. Industry (page 21)

1. Export promotion

Amount of subsidy 1987: 372.9

2. Secoral aids

Shipbuilding industry

The customs refund grant scheme was terminated in 1987.

Amount of subsidy 1987:

2.1.1.	Customs refund		164.2
2.1.2	interest rate subsidies for shipbuilding, long term financing		599.3
2.1.3	Interest rate subsidies for shipbuilding, construction loans		76.9
2.1.4	Construction loan guarantee arrangement and long-term financing guarantee arr.		28.5