

GENERAL AGREEMENT ON

TARIFFS AND TRADE

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STATE TRADING

Notifications Pursuant to Article XVII:4(a)

UNITED KINGDOM

The attached notification, dated 26 July 1989, has been received from the United Kingdom Mission.

A notification from the United Kingdom is reproduced hereunder. It covers the activities of the British Coal Corporation, the British Steel Corporation and British Shipbuilders.

A. British Coal Corporation

I. Enumeration of state trading enterprises

British Coal Corporation.

II. Reason and purpose for introducing and maintaining the state trading enterprise

The National Coal Board was established as a public corporation in 1946 when the coal industry was nationalized. Its main duties are set out in the Coal Industry Nationalisation Act 1946:

- (a) working and getting the coal in Great Britain to the exclusion (save as is provided in the Act) of any other person;
- (b) securing the efficient development of the coal mining industry;
- (c) making supplies of coal available, of such qualities and sizes, in such quantities and at such prices as may seem to the Board best calculated to serve the public interest.

Under the Coal Industry Act 1987 the National Coal Board became the British Coal Corporation.

The principal qualification of the Board's monopoly is that under Section 36(2) of the 1946 Act, as amended by Section 46 of the Opencast Coal Act 1958, the Board may grant licences to others for the working and getting of:

- (a) coal from small mines in which the number of persons below ground is at no time likely to greatly exceed thirty;
- (b) coal present among other minerals which is of such small value that its working is unlikely to be undertaken except as ancillary to the working of those other materials;
- (c) coal in small opencast sites which are unlikely to yield substantially more than 25,000 tonnes.

III. Description of the functioning of the state trading enterprise

Imports of coal are allowed freely on open general licence from any part of the world.

Imports during 1987 amounted to 9.8 million tonnes. The prices and terms of contracts are negotiated by the importers themselves.

Solid fuel exports are normally free of export control. Both the National Coal Board and the private non-vested interests are free to compete for overseas markets on a commercial basis.

IV. Statistical information

See Annex I.

V. Reason why no foreign trade has taken place in products affects

Not applicable - see Annex I.

VI. Additional information

Following the Coal Industry Act 1977, the National Coal Board has been given authority to "work and get coal outside Great Britain". Prior to the Act, the area of overseas work in which the Board was involved was restricted.

B. British Steel Corporation (BSC)

I. Enumeration of state trading enterprises

British Steel Corporation.

II. Reason and purpose for introducing and maintaining the state trading enterprise

No longer applicable.

Further to the British Steel Act 1988, the assets and liabilities and all trading responsibilities of BSC were transferred to a new company, British Steel plc, in September 1988. All the shares in that company were then sold by the Government in December 1988 through a sale on the Stock Exchange in London and on other Stock Exchanges around the world.

The steel industry in the UK is therefore now wholly in private sector ownership.

C. British Shipbuilders

I. Enumeration of state trading enterprises

British Shipbuilders.

II. Reason and purpose for introducing and maintaining the state trading enterprise

Only of marginal application now, since little of British Shipbuilders remains as a result of privatization.

It has long been the UK Government's stated intention to return facilities owned by the nationalized industry to the private sector as and when appropriate. By the end of 1984, British Shipbuilders offshore yard, shiprepair yards and general engineering interests were disposed of to enable the Corporation to concentrate on its main stream shipbuilding activities. 1985/86 saw the privatization of the six warshipbuilding companies. Since then, British Shipbuilders has disposed of or closed all its facilities apart from one small yard for which bids are currently being assessed. In addition, a preferred bidder has been announced for Harland & Wolff plc.

IV. Statistical information

See Annex II.

ANNEX I

Statistics of Coal Trade and Production

	<u>Tonnage ('000 tonnes)</u>			<u>Value (£'000)</u>		
	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
(a) Imports	12,732	10,554	9,781	680,665	442,703	368,353
(b) Re-exports						
(c) (i) Total exports	2,558	2,748	2,341	98,490	106,515	78,411
(ii) Exports from non-vested (licensed) mines and opencast sites included in (c)(i)						
(d) (i) Total home production						
Deepmined	75,224	90,358	85,852	3,288,200	3,743,700	3,469,100
Recovered slurry	3,253	3,457	2,790	20,461	24,372	21,316
Opencast	15,569	14,277	15,793	612,484	713,850	680,205
Total	94,046	108,092	104,435	3,921,145	4,481,922	4,170,621
(ii) Production from licensed mines included in (d)(i)	739	845	749	31,747	35,997	30,574

* Including licensed opencast.

ANNEX II

Shipbuilding Statistics

Table I

Production of Merchant Ships: Completions in UK Yards

	Number of Vessels		Gross Tonnage (000GRT)	
	Total UK	British Shipbuilders	Total UK	British Shipbuilders
1981	51	25	217	195
1982	67	32	453	355
* 1983	68	33	549	467
1984	56	22	411	238
1985	86	16	225	173
1986	48	11	106	66
1987	43	11	247	137
1988	41	4	31	18

* From 1983 GT data conforms to 1969 IMO Tonnage Conventions.

Shipbuilding Statistics

Table II

Exports of Merchant Ships: Completions in UK Yards
for Overseas Registration

	Number of Vessels		Gross Tonnage (000GRT)	
	Total UK	British Shipbuilders	Total UK	British Shipbuilders
1981	10	8	101	100
1982	12	8	104	103
* 1983	22	14	279	276
1984	18	15	140	139
1985	10	8	101	101
1986	5	4	29	29
1987	10	5	53	52
1988	5	-	4	-

* From 1983 GT data conforms to 1969 IMO Tonnage Conventions.

Shipbuilding Statistics

Table III

Imports of Merchant Ships: Completions
Abroad for UK Registration

	Number of Vessels	Gross Tonnage (000 GRT)	Value £ million
1981	24	474	185.2
1982	24	396	236.0
1983	14	133	98.1
*1984	26	227	227.9
1985	17	17	45.1
1986	9	18	46.2
1987	19	66	128.9
1988	28	12	47.1

*From 1984 GT data conforms to 1969 IMO Tonnage Conventions.