

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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Notifications Pursuant to Article XVI:1

NORWAY

The attached notification has been received from Norway regarding the updating of document L/6297/Add.6 in the fields of agriculture, fisheries and industry.

A. AGRICULTURAL PRODUCTS

Chapter 1150 Appropriations according to the Agricultural Agreement (NOK mill.)

	1988	Budget 1989
(a) Milk and milk products	3,079.3	3,364.5
(b) Basic support on meat	479.3	517.8
(c) Regional price support on meat	492.2	572.5
(d) Price support on domestic grain	599.4	641.9
(e) Regional price support on domestic grain	138.9	156.0
(f) Freight subsidies on meat and eggs	87.0	87.0
(g) Market regulation for meat, eggs, fruit (incl. storing facilities)	269.6	274.1
(h) Area support arrangement for coarse fodder production	1,032.3	1,083.7
(i) Area support arrangement for crop husbandry	127.4	137.4
(j) Structural and regional support per animal	1,730.0	1,771.7
(k) Basic support on potatoes	86.6	79.6
(l) Other	1,059.0	1,054.4

Chapter 1580 Appropriations for consumer price support (NOK mill.)

	1988	Budget 1989
(a) Whole milk	775.9	829.0
(b) Skim milk	184.0	189.1
(c) Cheese	270.6	326.2

Estimated amount per unit

Price support according to unit of production
(based on the Agricultural Agreement for 1988/89)

NOK øre¹

The "basic price support" on milk 44.8 per litre

Price support on the first 20,000 litres²
of cow milk produced on each farm:

South-Norway	242-261	"
North-Norway	256-280	"

Price support for the following 10,000 l²
of cow milk produced on each farm:

South Norway	110-121	"
North Norway	118-134	"

Regional price support on milk varies from
14 to 160 øre per litre

Regional price support on meat:

	Cattle/goat	Mutton	Pork
Zone 1	150 per kg.	150 per kg.	0 per kg.
Zone 2	560 "	560 "	0 "
Zone 3	795 "	795 "	0 "
Zone 4	1,130 "	1,230 "	520 "
Zone 5	1,210 "	1,310 "	520 "

¹NOK 1 = NOK 100 øre.

²Goatmilk receives 484-522 NOK øre/l for the first 10,000 l. and 220.242 NOK øre/l for the next 5,000 l.

Consumer price support

	<u>NOK per litre</u>	
	1988	Budget 1989
Wholemilk for consumption (price support including VAT compensation)	1.34	1.43
Skim milk	1.55	1.63
Cheese ¹	5.08	5.93

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

Table 1 Cowmilk

Year	Received by dairies in million litres	Consumption, million litres	
		Whole milk and skimmed milk ²	Cream and sour cream
1986	1,820	744.7	28.8
1987 [*]	1,852	749.6	29.3
1988 ^{**}	1,841	749.4	30.3

Source: Budget Committee for Agriculture

Table 2 Cheese (1,000 tons)

<u>Years</u>	<u>Production</u>	<u>Exports</u>	<u>Imports</u>	<u>Consumption</u>
1986	74.0	19.8	2.1	55.3
1987 [*]	76.8	22.1	2.1	57.2
1988 ^{**}	76.6	21.6	2.4	58.5

Source: Budget Committee for Agriculture

¹ NOK per kg. of cheese

² Including condensed and dued milk

³ Break in the series, new method of calculation from 1982 and on.

* Provisional figures

** Forecast

Table 3 Butter (1,000 tons)

<u>Year</u>	<u>Production</u>	<u>Exports</u>	<u>Imports</u>	<u>Consumption</u>
1986	24.5	4.5	-	19.3
1987*	26.4	7.1	-	19.0
1988**	26.4	7.0	-	19.2

Source: Budget Committee for Agriculture

Table 4 Cereals (million kg)¹

<u>Year</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>	<u>Consumption</u> ²
<u>Wheat</u>				
1986	165.3	327.8	3.2	394.0
1987	142.3	247.6	-	400.9
1988*	238.5	295.1	2.6	521.5
<u>Rye</u>				
1986	3.0	63.7	1.8	33.7
1987	4.4	35.4	-	37.0
1988*	15.3	20.8	-	34.4
<u>Barley</u>				
1986	533.4	140.2	0.2	656.7
1987	503.1	163.3	-	792.7
1988*	517.9	157.3	-	592.8

Source: Central Bureau of Statistics.

Oats

1986	407.1	1.7	-	513.5
1987	337.8	-	-	376.0
1988*	458.3	-	19.3	421.5

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 Gross sale + utilization on farms (by the farmers holdings)	<u>Imports</u>	<u>Exports</u>	<u>Consumption</u>
<u>Beef and veal</u>				
1986	74.3	4.5	0.4	79.5
1987*	76.5	1.9	1.3	76.1
1988**	76.3	1.5	0.7	76.7
<u>Mutton</u>				
1986	24.8	0.8	-	22.5
1987*	24.8	0.4	0.3	24.1
1988**	23.4	0.3	-	23.6
<u>Pork</u>				
1986	85.1	3.2	0.6	85.4
1987*	92.3	2.0	4.2	86.6
1988**	95.1	2.1	10.4	86.7

Source: Budget Committee for Agriculture
Norwegian Meat Marketing Co-operation

Table 5 Meat (million kg)¹

<u>Year</u>	2 Gross sale + utilization on farms (by the farmers holdings)	<u>Imports</u>	<u>Exports</u>	<u>Consumption</u>
<u>Poultry meat</u>				
1986	13.2	1.6	-	14.8
1987*	14.6	1.9	0.8	15.5
1988**	16.3	0.7	-	16.6
<u>Eggs</u>				
1986	51.4	0.8	1.3	49.7
1987*	52.2	1.8	1.1	51.6
1988**	52.6	-	-	52.6

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

* Provisional figures

** Forecast

Source: Budget Committee for Agriculture.

B. FISHERIESI. INVESTMENTNOK Million
1987 1988

1.1	Loan Schemes; for investment in vessels, gear and other equipment.	First mortgage loans; up to 60% of total investments. Maximum period: 15 years. Rate of interest 11.5%	97	92
	(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	8
		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	325
		Investment subsidy. Up to 15% of the vessels cost price. In particular cases up to 20%	25	27
1.2	Loans to the fish processing industry (State Fishery Bank)	Rate of interest: 11.5% Maximum period: 20 years	21	22
1.3	Loans to the fish processing industry in certain designated development regions. (Regional Development Fund - RDF)	Interest 11.5% Maximum period: 25 years	51	40.1

1.4	Loan guarantees for financing processing plants located in certain designated development regions. (RDF)	Guarantees for loan: by private credit institutions.	29	9.7
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 investment cost, depending on where the investment is made.	53	35.4
II. OPERATIONAL				
2.1	Subsidies to support landing prices of certain species of fish	Yearly fixed basic sum (a certain amount per kilo or hectoliter)	60.2	77
2.2	Grants to reduce prices of bait and baiting stations	Bait (a certain amount per kilo) Baiting stations	12	13
2.4	Grants to improve efficiency in fisheries	Experimental work	60	44
2.5	Guarantee of minimum weekly income for fishermen	Maximum aid of NOK 1,350 (1986) and 1,300 (1985) per head per week	120	143
	Vacation scheme		25	45
2.6	Grants to reduce insurance costs		14	18
2.7	Loans guaranteed by the state for fish processing (short term credit) (Bank of Norway)	Rate of interest: 11.5%	Maximum limit. NOK 260 mill. By 31 Dec. 1988, extended credits amounted to NOK 206 mill., of which NOK 169 mill. was utilized	

2.8	Structural reorgani- zation schemes covering the fishing fleet and the processing industry	182	183
	Readapting scheme	5	5
C.	<u>INDUSTRY</u>		
1.	<u>Export promotion</u>		
	Amount of subsidy 1987:		389.5
2.	<u>Sectoral aids</u>		
	Amount of subsidy: 1987		
2.1.1	Customs refund		135.2
2.1.2	Interest rate subsidies for shipbuilding, long term financing		633.6
2.1.3	Interest rate subsidies for shipbuilding,		59.8
2.1.4	Construction loan guarantee arrangement and long-term financing guarantee arr.		38.0