

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

RESTRICTED

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### STATE TRADING

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

##### NORWAY

The following notification, dated 18 April 1990, has been received from the Permanent Mission of Norway.

In Norway there are three State Monopolies concerned with foreign trade: the Norwegian Grain Corporation, the Wine Monopoly and the Norwegian Medicinal 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. Norwegian Medicinal Depot (Norsk Medisinaldepot, 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 connection 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 defence 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 the 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. Norwegian Medicinal Depot (Norsk Medisinaldepot, NMD)

The Norwegian Medicinal Depot was established by the Act of 27 February 1953 No. 1 and has been in operation since 1957. This establishment was intended to rationalize the wholesale trade of drugs (pharmaceutical specialities) and of substances used for drug-production, and to ensure sufficient supply of such products both in ordinary times and in emergencies. The purpose of NMD is also to contribute to stabilizing 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 enterprise

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 wine, spirits, beer and to sell wine and spirits. For foreign beer the Monopoly is the only operating wholesaler. It is also the only producer of spirits and has the exclusive right to export spirits.

The Wine Monopoly has the exclusive right to sell ethanol and isopropanol for technical and medical purposes.

The quantities and qualities imported by the Monopoly are determined by public demand.

The export of spirits is relatively modest and run on a commercial basis.

The retail prices for spirits and wine consist mainly of taxes stipulated by the 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 Norwegian Medicinal 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.

V. Statistical information

A. The Norwegian Grain Corporation (Statens Kornforretning)

Year	Imports of grain and feeding stuffs		National grain production
	Quantity	Value (c.i.f.)	
	1,000 tons	NOK million	1,000 tons
1987	667	439	1,398
1988	716	609	1,067
1989	797	805	1,164

B. The Wine Monopoly (A/S Vinmonopolet)

See Annex

C. Norwegian Medicinal Depot (Norsk Medisinaldepot, NMD)

Imports, exports and Norwegian production of pharmaceutical products.

Year	Imports by NMD	NMD's purchase from Norwegian suppliers	Exports by NMD
	NOK 1,000	NOK 1,000	NOK 1,000
1987	1,490,693	405,215	2,997
1988	1,754,223	435,214	3,410
1989	1,915,172	470,099	2,450

VI. Reasons why no foreign trade has taken place (if this is the case) in products affected

Question irrelevant.

VII. Additional information

None.

ANNEXThe Wine MonopolyImports and Exports by the Wine Monopoly

Commodities		Imports					
		1987		1988		1989	
		Litres '000	NOK '000	Litres '000	NOK '000	Litres '000	NOK '000
2203	Beer made from malt	443	2,799	391	2,485	301	1,968
2204	Wine of fresh grapes, etc.	22,377	233,766	25,639	260,950	22,964	207,669
2205	Vermouth and other wines of fresh grapes flavoured with aromatic extracts	1,426	23,702	1,146	20,376	1,199	20,435
2206	Fruitwine	112	640	150	732	152	735
2207	Ethylalcohol	453	1,517	301	994	504	1,617
2208	Spirits (other than No. 2207) liqueurs and other spirituous beverages, etc.	8,854	133,807	6,764	118,757	6,662	127,389
2905	Isopropanol	4,933	9,526	5,762	12,473	3,566	10,626

Commodities		Exports					
		1987		1988		1989	
		Litres '000	NOK '000	Litres '000	NOK '000	Litres '000	NOK '000
CCCN Number							
2208	Spirits (other than No. 2207) liqueurs and other spirituous beverages, etc.	584	14,977	643	18,737	723	20,551

Commodities		Production					
		1987		1988		1989	
		Litres '000	NOK '000	Litres '000	NOK '000	Litres '000	NOK '000
CCCN Number							
2208	Spirits (other than No. 2207) liqueurs and other spirituous beverages, etc.	4,432		4,392		4,262	