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# GENERAL AGREEMENT ON TARIFFS AND TRADE

Agriculture Committee

Original: French

## EUROPEAN COMMUNITIES

### Information Supplied in Respect of TOBACCO[1]



[1]There is, at present, no regulation for a common market organization in the tobacco sector. Accordingly, this document is merely a report on the present situation in the various member States.

## A. PRODUCTION: MEASURES AND POLICIES

### A.1. Statistical data on total volume of production; total acreage or units of production and average yield per unit of production

ACREAGE, YIELD AND PRODUCTION IN EEC

| | EEC | Germany | France | Italy | BLEU | Netherlands |
|---|---|---|---|---|---|---|
| Area (1,000 hectares) | | | | | | |
| 1955 | 89.2 | 10.6 | 29.0 | 48.4 | 1.2 | -[1] |
| 1956 | 89.3 | 10.3 | 28.9 | 49.0 | 1.1 | - |
| 1957 | 89.2 | 8.6 | 28.5 | 51.1 | 1.0 | - |
| 1958 | 88.6 | 7.6 | 27.2 | 52.5 | 1.3 | - |
| 1959 | 91.0 | 6.9 | 26.2 | 56.5 | 1.4 | - |
| 1960 | 86.1 | 6.3 | 25.3 | 53.1 | 1.4 | - |
| 1961 | 73.0 | 4.0 | 21.8 | 46.2 | 1.0 | - |
| 1962 | 62.1 | 3.9 | 21.6 | 35.6 | 1.0 | - |
| 1963 | 76.2 | 4.1 | 22.5 | 48.6 | 1.0 | - |
| 1964 | 78.8 | 4.0 | 20.4 | 53.6 | 0.8 | - |
| 1965 | 81.2 | 3.7 | 21.3 | 55.4 | 0.8 | - |
| 1966 | 78.7 | 3.4 | 20.6 | 54.1 | 0.7 | - |
| 1967 | 78.1 | 3.5 | 19.5 | 54.6 | 0.5 | - |
| Yield (100 kgs./ha.)[3] | | | | | | |
| 1955 | 17.7 | 24.4 | 19.4 | 14.9 | 25.8 | -[2] |
| 1956 | 17.3 | 22.1 | 20.0 | 14.5 | 23.3 | - |
| 1957 | 18.3 | 25.4 | 21.5 | 15.1 | 28.8 | - |
| 1958 | 17.8 | 26.0 | 20.0 | 15.2 | 28.9 | - |
| 1959 | 18.2 | 28.0 | 20.1 | 16.0 | 22.4 | - |
| 1960 | 16.4 | 17.2 | 19.3 | 15.0 | 16.7 | - |
| 1961 | 9.7 | 22.2 | 15.7 | 5.4 | 26.3 | - |
| 1962 | 15.9 | 24.8 | 18.2 | 13.0 | 30.5 | - |
| 1963 | 15.8 | 28.1 | 18.1 | 13.4 | 28.8 | - |
| 1964 | 17.1 | 25.0 | 21.2 | 14.7 | 31.5 | - |
| 1965 | 16.4 | 23.5 | 23.0 | 13.3 | 26.7 | - |
| 1966 | 16.7 | 28.4 | 22.9 | 13.5 | 29.0 | - |
| 1967 | 16.7 | 25.3 | 22.0 | 14.1 | 29.7 | - |

[1] Negligible.

[2] Not available.

[3] Weights for tobacco in the leaf

ACREAGE, YIELD AND PRODUCTION IN EEC (cont'd)

| | EEC | Germany | France | Italy | BLEU | Netherlands |
|---|---|---|---|---|---|---|
| Production (1,000 metric tons)[1] | | | | | | |
| 1955 | 157.6 | 26.0 | 56.3 | 72.3 | 3.0 | -[2] |
| 1956 | 154.2 | 22.7 | 57.8 | 71.2 | 2.5 | - |
| 1957 | 163.1 | 21.7 | 61.3 | 77.1 | 3.0 | - |
| 1958 | 157.8 | 19.7 | 54.5 | 79.8 | 3.8 | - |
| 1959 | 165.6 | 19.5 | 52.6 | 90.3 | 3.2 | - |
| 1960 | 141.5 | 10.7 | 48.9 | 79.5 | 2.4 | - |
| 1961 | 70.7 | 8.8 | 34.2 | 25.0 | 2.7 | - |
| 1962 | 98.7 | 9.8 | 39.4 | 46.3 | 3.2 | - |
| 1963 | 120.3 | 11.6 | 40.6 | 65.2 | 2.9 | - |
| 1964 | 134.8 | 10.0 | 43.4 | 78.9 | 2.5 | - |
| 1965 | 133.4 | 8.7 | 49.0 | 73.5 | 2.2 | - |
| 1966 | 131.7 | 9.5 | 47.1 | 73.1 | 1.9 | - |
| 1967 | 130.2 | 8.8 | 42.8 | 77.0 | 1.6 | - |

[1] Weights for tobacco in the leaf.

[2] Negligible.

A.2. Trends in production and estimates for 1970

The Commission has no study on production trends to provide an answer to this question, nor can it provide any estimates for 1970.

A.3. Statistical data on carry-over stocks and stockpiles (governmental and, where significant and available, private)

In the case of unmanufactured tobaccos, stockpiles which can consist only of packaged, fermented or fermenting tobaccos are in the hands of private manufacturers of tobacco products:

- in France and Italy they are held by monopolies;
- in the remaining countries they consist of the stockpiles of the private tobacco manufacturing industry.

No figures are available as to the size of these stocks.

It should, however, be pointed out that the manufacture of cigarettes, cigars and other products necessitates large industrial stockpiles, mainly for maturing and processing the raw material as well as for maintaining adequate supplies.

A.4. Factors which affect production (e.g. inter-relationship of commodities - structural elements - improvement of productivity - technological progress

Of the factors affecting production, the average land area per producer requires special mention. A basic feature of the production pattern in the Community is the small average land area per producer which prevents any rapid increase in the yield per production unit.

Without taking into account the mildew epidemic, yields per hectare over the last twelve years remained practically unchanged, though the French and Italian monopolies made intensive efforts to disseminate information and provide technical training.

Since the lowest yields per hectare among Community members are to be found in Italy it is possible that this country may show an improvement in yield per production unit in coming years.

A.5. Policies and measures of governments or other bodies likely to influence production, other than those listed under B

There is nothing to be added to the information provided under B.

## B. PROTECTION AND SUPPORT MEASURES AND POLICIES

### B.I. Internal support measures and policies

#### B.I.1. Inventory of the instruments of support (guaranteed prices, support prices, subsidies and other measures directly or indirectly affecting returns to producers, stock management policy with cost to government or quasi-governmental entities etc.), including measures which tend to limit production

In Italy, the monopoly covers the growing, manufacture, processing, import and sale of tobaccos and tobacco products in the national territory. The monopoly has been managed by the Autonomous Administration of State Monopolies, presided over by the Minister of Finance, since 1927. This Administration, which is a State enterprise without a legal personality but with independent accounts, is divided into four sections, including, for tobaccos, the "Azienda Tabacchi dei Monopoli di Stato".

The monopoly is exercised by the "Amministrazione dei Monopoli di Stato":

- firstly, by direct and exclusive control of production in "State factories";

- secondly, by licensing private entities to grow and undertake the first stages of processing, either to supply "State factories" or for export.

The licence specifies which type it is. According to the regulations for production, it may be either:

- direct, "per manifeste", covering the growing phase only;

- special, which includes both the growing phase and the first stage of processing.

When the crop is for export, there are special licences, subject to such conditions as a minimum area of ten hectares, etc.

The "Amministrazione dei Monopoli di Stato" purchases the whole of the licenced crop to supply "State factories" at prices fixed according to the agreed producers' returns, published as a scale. To cover both existing types of licences, the scale, drawn up by ministerial decree, covers both tobacco in the leaf and packaged or fermented tobaccos.

In France the "Service d'exploitation industrielle des Tabacs et des Allumettes" (SEITA) is the most recent legal shape taken by the body exercising the monopoly for the growing, manufacture, and marketing

of tobaccos. It was the outcome of a decree dated 7 January 1959 which made it a public, industrial and commercial concern, under the common regulations for the main nationalized services.

The Board of the SEITA establishes the national quota of land under tobacco cultivation and allocates it by region. At the "Département" level, the quota is distributed in the form of licences by a joint committee of delegates of the growers and of the SEITA producers' services.

Tobacco is grown according to the regulation standards under the supervision of the SEITA heads of sector. The whole crop of tobacco in the leaf must be delivered to the SEITA which is bound to purchase it at an average national price established by a joint committee in order to maintain the agreed producers' return. French growers have training and information centres sponsored or subsidized by the SEITA.

In the Federal Republic of Germany, producers of cigarettes containing at least 50 per cent of home-grown tobacco are allowed lower excise rates.

This measure is intended to give direct support to the price paid by manufacturers for German tobaccos used for these products, mainly of the Burley and Virginia varieties.

The Federal Government (Bundersregierung) and the "Länder" administrations (Länderregierungen) also provide subsidies for tobaccos suitable and used for cigar manufacture, these latter not being eligible for any tax reductions.

In Belgium, the producers receive a quality bonus. This is awarded to batches of tobacco after expert examination and quality grading.

The purpose of this quality bonus is to improve marketing of Belgian tobacco.

B.I.2. Levels of guaranteed prices or support prices

In Italy, the prices at which the "Amministrazione dei Monopoli di Stato" purchases home-grown tobaccos are established by ministerial decree and are valid for a period of three years. Prices for the 1964-1966 crops were established by Decree No. 01/5222 of 14 July 1964 and those for the 1967-1969 crops by Decree No.01/4780 of 22 November 1967. Prices are established both for cured tobaccos in the leaf and for packaged or fermented tobaccos. Each type is graded according to quality and intended purpose. Provisions have also been made to cover any price increases or decreases.

In France, the average national price applied by the SEITA is fixed annually by a joint committee, elected by vote among the growers and the representatives of the administration. Tobaccos are purchased by joint committees of experts consisting of two growers elected by their colleagues and two SEITA officials, with a third grower as referee.

Prices per kilogramme for the last three crops were:-

(U.A./kg.)

| | 1964 | 1965 | 1966 |
|---|---|---|---|
| Alsace | 1.02 | 1.08 | 1.06 |
| Other regions | 1.15 | 1.10 | 1.20 |

B.I.3. Amount of producer subsidies

In Belgium, producers receive a quality bonus (see B.I.1.). The size of the bonus, depending on the experts'report, may be as high as BF 5/kg. (0.10 UA/kg.) for blended tobaccos and BF 6/kg. (0.12 UA/kg) for special tobaccos. The average unit bonus is about BF 4/kg. (0.08 UA/kg.) and the total grants amount to about BF 10 million (200,000 UA).

In Germany, the subsidies on tobacco suitable and used for cigar manufacturing amounted to 0.10 UA/kg. for the 1966 crop.

B.I.4. Average returns to producers

In Italy, tobacco growers are paid according to price scales established by ministerial decree (see B.I.2.) covering the quantities and qualities of tobacco in the leaf to be delivered either directly to the "Amministrazione dei Monopoli di Stato" in the case of a direct ("a manifeste") licence, or to special licence holders who subsequently deliver the tobaccos in packaged or fermented form to the "Amministrazione dei Monopoli di Stato". The special licence holders may also be growers delivering their own production, already packaged, to the "Amministrazione dei Monopoli di Stato".

Under these conditions, it is difficult to assess the growers' average unit return and, because of the particularly wide range of qualities and varieties in Italy, no convincing data can be derived as to the actual returns to the individual grower or per variety. Some figures do, however, exist and will be found in the table appended to the reply to this question. It should be stressed that these figures apply only to tobaccos in the leaf delivered to the "Amministrazione dei Monopoli di Stato" under direct ("a manifeste") licences and represent only 10-15 per cent of the total production. The remainder is delivered to the "Amministrazione dei Monopoli di Stato" by special licence holders in the form of packaged or fermented tobaccos at the agreed prices for this stage of processing.

In France, growers are paid according to prices quoted by the expert committees after examination of the product in conformity with the average national price established for the crop year. The net average returns for the latest three crops for which they are available are to be found in the appended table.

In the Federal Republic of Germany, the growers' returns depend on prices at auctions, where groups of producers ("Tabakbauvereine") offer tobaccos in the leaf for sale. The prices thus obtained are highly diversified, according not only to quality and variety, but also to the time of picking the leaves, which are sold in separate batches to conform with the buyers' requirements.

Furthermore, subsidies are provided by the Federal Government (Bündersregierung") and the "Lander" administrations"(Landerregierungen) for tobaccos suitable and used for cigar manufacturing, since these do not benefit from any tax reductions (see B.I.1).

In Belgium, growers' returns depend on sales and quality bonuses. The average producers' prices contained in the table do not include quality bonuses, which come to approximately BF 400/100 kg. or 8 UA/100 kg. (see B.I.3.).

Average Producer Prices of Unmanufactured Tobaccos in the Member States of the EEC

(UA/100 kg.)

| Member States | 1963/64 | 1964/65 | 1965/66 |
|---|---|---|---|
| ITALY | | | |
| Weighted average[1] | 100.3 | 100.2 | 92.4 |
| Kentucky | 92.7 | 92.0 | 84.9 |
| Oriental | 131.8 | 127.9 | 113.3 |
| FRANCE[2] | 110.0 | 112.3 | 109.3 |
| GERMANY[3] | 124.4 | 112.3 | 127.3 |
| BELGIUM[4] | 56.4 | 60.3 | 59.0 |

[1]Weighted average price paid by the monopoly for tobacco in the leaf purchased directly from the grower.

[2]Net price received by the growers.

[3]Average producers' price (Erlöspreise).

[4]Home-grown tobacco.

B.I.5. Method of determining returns for producers, including pooling of receipts; constituent elements of these returns; relationship of price formation in domestic and international markets

Some information on this question has been given in the reply to the previous question.

B.II. Measures at the frontier

Measures at frontier (both of central government and of governments of constituent units) such as import duties and all charges, quantitative import restrictions, minimum import prices, import calendars, conditional import regulations, and all other measures which affect the quantity or price of imports. Levels of such measures.

Customs duties

The rates of duty of the Common Customs Tariff for unmanufactured tobaccos are as follows:-

| | | Autonomous duty rates | Conventional duty rates | |
|---|---|---|---|---|
| | | | Before the Kennedy Round | As a result of the Kennedy Round |
| | | (1) | (2) | (3) |
| 24.01 | Unmanufactured tobacco, tobacco refuse | | | |
| A | Tobacco of a value, per package, of 280 UA or more per 100 kg. net | 15% Maximum charge 70 UA per 100 kg. net | - | - |
| B | Others | 30% Minimum charge 29 UA and maximum charge 42 UA per 100 kg. net | 28% Minimum charge 29 UA and maximum charge 38 UA per 100 kg. net | 23% Minimum charge 28 UA and maximum charge 33 UA per 100 kg. net |

The rates of duty applied by all member States since 1 January 1968 are those under column (2), conventional duties, for sub-heading 24.01 B, and those under column (1), autonomous duties, for sub-heading 24.01 A.

In conformity with bilateral agreements between Greece and the European Economic Community, customs duties on unmanufactured tobaccos were eliminated between member States on 1 January 1968 since when the Common Customs Tariff has been applied in its entirety.

The rates of duty under sub-heading 24.01 B will be progressively reduced to the level of the rates of conventional duties under column (3) in conformity with the provisions of the 1967 Geneva Protocol.

Measures other than customs duties

In Italy, the monopoly on the import of unmanufactured tobaccos is held by the "Amministrazione dei Monopoli di Stato".

In France, imports are subject to quantitative restrictions. Licences are granted only to the SEITA, which is the sole importer.

## C. CONSUMPTION AND INTERNAL PRICES

### C.1. Statistical data on consumption

The Community does not hold a supply balance sheet for unmanufactured tobaccos as it does for other main agricultural products. It would, therefore, only be possible to show apparent consumption excluding variations in stocks. Because of the size of stocks held by the processing industries for technical reasons, the figures for apparent consumption may not always be significant.

The Commission accordingly considers it inadvisable to provide consumption figures.

### C.2. Trends in consumption and estimates for 1970

The Commission is not in a position to reply to this question, either for unmanufactured tobaccos or for manufactured tobacco products (see also C.1.).

### C.3. Retail and wholesale prices on major internal markets, including, where relevant, major seasonal variations, Marketing costs, if available.

In Italy, the "Amministrazione dei Monopoli di Stato" purchases, according to standard price scales, tobaccos in the leaf delivered to it under direct (per manifeste) licences, and packaged or fermented tobaccos delivered to it by special licence holders, who, in turn, purchase the tobaccos in the leaf from the growers according to the standard price scales (see B.1.4.).

In France, the SEITA purchases tobaccos in the leaf from the growers at the average national price (see B.1.4.).

In the Federal Republic of Germany and the Benelux countries, the processing industries obtain home-grown tobaccos at domestic market prices through auctions or other private transactions. They obtain imported tobaccos at the international prices plus the rates of duties as applicable.

### C.4. Factors which condition the evolution of internal consumption including interdependence of products

Internal consumption of unmanufactured tobaccos depends on that of manufactured tobacco products (see also C.2.). The results of public health research may possibly have an influence on consumption in the next few years. All advertising of tobacco products is forbidden in Italy.

C.5. Policies and measures affecting consumption including: consumer subsidies; promotion measures and other measures affecting domestic consumption; use of product in domestic and international welfare schemes and other non-commercial disposals

Not relevant. See under C.4.

## D. INTERNATIONAL TRADE AND PRICES

### D.1. Statistical data on the volume and value of imports and exports by source and destination, distinguishing between commercial and non-commercial

The following tables show the development of:

- imports of unmanufactured tobaccos and tobacco refuse (pages

- exports of unmanufactured tobacco and tobacco refuse (page

In the case of EEC exports to third countries, it should be mentioned here that they partially consist of re-exports of tobaccos imported from third countries (e.g. tobaccos for Sumatra cigars). Only French and Italian sales in fact show any connexion between exports and domestic production. It should be noted that a large part of French exports go to external licence holders making French type cigarettes.

Product: Unmanufactured tobaccos and tobacco refuse

EVOLUTION OF EEC IMPORTS FROM THIRD COUNTRIES

| Origin | Quantity (metric tons) | | | (US$'000) | | |
|---|---|---|---|---|---|---|
| | 1964 | 1965 | 1966 | 1964 | 1965 | 1966 |
| TOTAL, THIRD COUNTRIES | 255,202 | 259,629 | 264,775 | 295,998 | 302,159 | 319,033 |
| - of which Europe | | | | | | |
| United Kingdom | 244 | 213 | 478 | 279 | 303 | 739 |
| Norway | - | - | 112 | - | - | 18 |
| Denmark | 59 | 76 | 148 | 12 | 19 | 25 |
| Switzerland | 298 | 494 | 952 | 619 | 1,070 | 2,057 |
| Spain | 78 | - | - | 77 | - | - |
| Yugoslavia | 2,231 | 3,219 | 2,325 | 2,437 | 3,884 | 2,289 |
| Greece | 26,691 | 29,883 | 32,184 | 42,479 | 43,422 | 46,655 |
| Turkey | 9,087 | 8,404 | 13,753 | 12,737 | 10,393 | 16,894 |
| USSR | 753 | 797 | 492 | 954 | 1,046 | 639 |
| Eastern Mark Area | 44 | - | 139 | 39 | - | 71 |
| Poland | 2,282 | 1,168 | 3,331 | 990 | 622 | 1,421 |
| Czechoslovakia | - | 20 | 11 | - | 31 | 16 |
| Hungary | 2,781 | 3,239 | 1,774 | 1,683 | 1,678 | 1,015 |
| Rumania | 965 | 1,918 | 2,448 | 643 | 990 | 1,044 |
| Bulgaria | 13,591 | 14,640 | 16,951 | 16,387 | 16,287 | 19,599 |
| Albania | 1,100 | 260 | 255 | 1,182 | 239 | 234 |
| - of which Africa | | | | | | |
| Morocco | 12 | - | - | 10 | - | - |
| Algeria | 2,518 | - | 19 | 1,841 | - | 14 |
| Liberia | - | - | 4 | - | - | 11 |
| Dahomey | - | 32 | 118 | - | 22 | 80 |
| Nigeria | - | 27 | - | - | 11 | - |
| Cameroon | 589 | 560 | 616 | 1,723 | 1,858 | 1,828 |
| Central African Rep. | 433 | 486 | 674 | 704 | 893 | 1,273 |
| Congo (Brazzaville) | 288 | 210 | 545 | 258 | 209 | 585 |
| Congo (Kinshasa) | 31 | 17 | 24 | 80 | 87 | 76 |
| Angola | 12 | 23 | 57 | 10 | 18 | 46 |
| Ethiopia | 21 | - | - | 19 | - | - |
| Uganda | - | 19 | 98 | - | 15 | 57 |
| Tanganyika | 241 | 146 | 215 | 145 | 95 | 158 |

Product: Unmanufactured tobaccos and tobacco refuse (cont'd)

EVOLUTION OF EEC IMPORTS FROM THIRD COUNTRIES

| Origin | Quantity (metric tons) | | | (US$'000) | | |
|---|---|---|---|---|---|---|
| | 1964 | 1965 | 1966 | 1964 | 1965 | 1966 |
| - of which Africa (cont'd) | | | | | | |
| Zanzibar | 701 | - | - | 324 | - | - |
| Mauritius | - | 156 | - | - | 14 | - |
| Mozambique | 242 | 1,123 | 376 | 225 | 888 | 333 |
| Madagascar | 3,504 | 3,213 | 3,193 | 4,494 | 4,144 | 3,323 |
| Zambia | - | 1,266 | 596 | - | 1,306 | 611 |
| Southern Rhodesia | 26,761 | 25,486 | 16,821 | 26,372 | 26,242 | 17,425 |
| Malawi | - | 3,025 | 3,978 | - | 1,991 | 2,902 |
| South Africa | 2,104 | 2,435 | 2,101 | 1,548 | 1,807 | 1,780 |
| - of which America | | | | | | |
| United States | 67,493 | 72,280 | 75,070 | 107,488 | 116,828 | 128,821 |
| Canada | 3,366 | 1,699 | 1,515 | 3,843 | 1,895 | 1,778 |
| Mexico | 4,758 | 1,374 | 3,258 | 4,683 | 844 | 2,372 |
| Guatemala | 68 | 95 | 76 | 92 | 137 | 95 |
| British Honduras | 64 | - | - | 48 | - | - |
| Nicaragua | - | - | 15 | - | - | 14 |
| Cuba | 2,320 | 3,313 | 1,735 | 1,462 | 2,152 | 1,307 |
| Dominican Republic | 8,429 | 4,895 | 4,422 | 4,675 | 3,688 | 3,562 |
| West Indies | 88 | 40 | 181 | 55 | 23 | 67 |
| Colombia | 3,253 | 2,909 | 6,464 | 1,992 | 2,899 | 4,459 |
| Venezuela | - | 128 | - | - | 139 | - |
| Ecuador | - | - | 19 | - | - | 12 |
| Peru | 52 | - | 44 | 63 | - | 20 |
| Brazil | 21,733 | 21,682 | 22,478 | 15,546 | 14,635 | 15,129 |
| Paraguay | 6,672 | 7,635 | 4,954 | 2,989 | 3,325 | 2,274 |
| Argentina | 10,085 | 12,551 | 7,762 | 4,896 | 6,036 | 4,407 |
| - of which Asia | | | | | | |
| Cyprus | 57 | 60 | 42 | 71 | 105 | 77 |
| Lebanon | 556 | 373 | 531 | 605 | 294 | 514 |
| Syria | 18 | 8 | 23 | 32 | 11 | 20 |

Product: Unmanufactured tobaccos and tobacco refuse (cont'd)

EVOLUTION OF EEC IMPORTS TO THIRD COUNTRIES

| Origin | Quantity (metric tons) | | | (US$'000) | | |
|---|---|---|---|---|---|---|
| | 1964 | 1965 | 1966 | 1964 | 1965 | 1966 |
| - of which Asia (cont'd) | | | | | | |
| India | 3,872 | 3,625 | 2,815 | 2,066 | 2,073 | 1,747 |
| Thailand | 1,644 | 1,733 | 3,198 | 1,375 | 1,490 | 2,909 |
| South Viet-Nam | 28 | - | - | 20 | - | - |
| Indonesia | 6,213 | 5,733 | 8,861 | 11,019 | 12,246 | 12,203 |
| Malaysia | 28 | 18 | 12 | 17 | 16 | 13 |
| Philippines | 8,884 | 8,244 | 4,217 | 5,245 | 5,041 | 2,842 |
| China (Mainland) | 1,098 | 2,453 | 4,715 | 507 | 1,200 | 2,162 |
| South Korea | 281 | 360 | 1,429 | 240 | 358 | 1,241 |
| Japan | 5,258 | 4,732 | 3,747 | 7,714 | 7,175 | 5,607 |
| Formosa | 1,073 | 1,128 | 2,338 | 861 | 891 | 2,098 |

Product: Unmanufactured tobaccos and tobacco refuse

EVOLUTION OF EEC EXPORTS TO THIRD COUNTRIES

| Destination | Quantity (metric tons) | | | (US$'000) | | |
|---|---|---|---|---|---|---|
| | 1964 | 1965 | 1966 | 1964 | 1965 | 1966 |
| TOTAL, THIRD COUNTRIES | 4,557 | 5,460 | 5,368 | 7,712 | 8,784 | 8,698 |
| - of which Europe | | | | | | |
| United Kingdom | 764 | 992 | 1,243 | 1,657 | 1,789 | 2,071 |
| Ireland | - | - | 5 | - | - | 21 |
| Norway | 151 | 153 | 155 | 216 | 221 | 242 |
| Sweden | 232 | 160 | 181 | 285 | 36 | 346 |
| Denmark | 14 | 27 | 70 | 37 | 205 | 126 |
| Switzerland | 2,304 | 3,579 | 2,707 | 3,612 | 5,545 | 4,427 |
| Austria | 312 | 204 | 292 | 332 | 300 | 426 |
| Europe n.e.s. | - | 4 | - | - | 16 | - |
| Eastern Mark Area | 41 | 99 | 114 | 260 | 351 | 172 |
| - of which Africa | | | | | | |
| Libya | 18 | - | 17 | 20 | - | 17 |
| Madagascar | 29 | - | - | 15 | - | - |
| - of which America | | | | | | |
| United States | 644 | 181 | 444 | 1,237 | 245 | 686 |
| Canada | - | - | 133 | - | - | 155 |
| - of which Asia | | | | | | |
| Israel | - | 6 | - | - | 14 | - |
| Jordan | - | 27 | - | - | 34 | - |

D.2. Levels of export prices prevailing in various markets for different varieties (f.o.b.; where available c.i.f.); levels of import prices for different varieties (c.i.f., free at frontier, where available, f.o.b.); their direction and evolution and their main seasonal variations. Interdependence of markets in price formation and trade flows

Because of the many varieties and qualities of unmanufactured tobaccos, average prices or average trade unit values even when calculated by origin and destination, are not very meaningful, especially since the EEC member States have no trade figures distinguishing between varieties of tobaccos.

Exports: It might, however, be of use to mention the fact that Italian exports to third countries, which totalled 1,009 tons in 1966, were calculated on the basis of an average unit value of 250 UA/100 kg.

Imports: It should be noted that the majority of supplies purchased outside the Community by manufacturers of tobacco products are obtained from the producers in the exporting countries themselves, for the most part through local auctions.

Prices obtained at these auctions, as well as the average export unit values for countries, such as the United States, whose statistics distinguish between the varieties of tobacco, serve as additional information as to the Community price levels for external supplies of unmanufactured tobacco.

D.3. Export aid measures and policies

a) Specific data and comment on export payments, subsidies and other aids; the total amount of subsidies paid and the quantity exported under subsidy.

b) Stock management policies as they relate to exports.

c) Types and influence of non-commercial transactions and policies, including export credit.

It should be noted that the conditions under which unmanufactured tobaccos are exported from the two member States exercising monopolies, are as follows:

In France; the SEITA also holds the export monopoly;

In Italy; since 1962, the autonomous Administration of State Monopolies has ceased exporting unmanufactured tobaccos. Exports are restricted to crops grown by holders of licences specifically granted for that purpose.

Nevertheless, private entities holding special licences granted for growing and undertaking the first phase of processing tobacco to supply State factories, may also be granted direct export authorization for whatever tobacco they have not sold to the "Amministrazione dei Monopoli di Stato" at the prices offered by the latter.

D.4. Description of bilateral agreements affecting imports or exports

The following measures are applicable to trade in the unmanufactured tobacco sector under the agreements of association concluded between the Community and certain other countries:

(a) Agreement of association between the EEC and Greece

The conditions governing the import of unmanufactured tobacco and tobacco refuse into the Community are as follows:

- the application of zero duty from 1 January 1968;

- until the joint organization of the market is established, the member States exercising a monopoly are bound to increase their tobacco imports from Greece at a proportion equal to the growth in imports of unmanufactured tobacco and tobacco refuse from Greece by other member States, calculated on the basis of the average imports from 1957 to 1959.

(b) Agreement of association between the EEC and Turkey

The provisional protocol of association provides for a zero duty tariff quota within the Community of 17,615 tons for the year 1968 in unmanufactured tobacco and tobacco refuse.

(c) Convention of Association between the EEC and the AAMS

Customs duties are the same as those applied for intra-Community trade in the case of imports of unmanufactured tobacco and tobacco refuse from associated States, until the establishment of a jointly organized market.