CONSULTATIONS ON AGRICULTURAL POLICIES

YUGOSLAVIA

Commodity Information

Attached for the information of the Committee is the reply of the Government of Yugoslavia to the questionnaire in Annex B to document COM.II/5. The Government of Yugoslavia has stated that statistical information will shortly be submitted to the secretariat. Such information will be issued as an addendum to this document as soon as it is received.
CEREALS

1 and 2. Description of product and tariff measures

Wheat, barley, maize, rye, oats: no customs duties are levied.

3. Non-tariff measures

(a) Brief description of agricultural policy and objectives

The object of Yugoslavia's cereal policy is to promote grain production, more particularly wheat and maize, to ensure adequate supplies of bread grains for the needs of the population and a sufficient availability of feed grains for the development of cattle-raising, thus safeguarding the balance-of-payments situation by dispensing with imports of bread-grains and increasing exports of maize and other agricultural products.

(b) Description of protection and support methods

The development of cereal production is being achieved through the application of a number of general measures aimed at promoting agricultural production as a whole, and of several special measures designed to increase output per unit of area under cultivation (introduction of hybrid corn, dissemination of modern farming methods, furtherance of a wider use of tractors and of synthetic fertilizers, etc.) Concurrently steps are being taken to modernize flour mills and bread-making establishments and to foster the development of other cereal processing industries.

The market for cereals and cereal products is in principle a free market. In an endeavour to stimulate production and to provide outlets for such production at market prices, minimum prices have been guaranteed, since 1957, to agricultural undertakings for cereals such as wheat, rye, barley, oats, maize, as well as for rice. The Food Administration is required to purchase, at pre-determined prices, the entire volume of cereals offered to it by the agricultural undertakings. Minimum prices, which have remained unchanged since 1957, are as follows:

<table>
<thead>
<tr>
<th>Cereal</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>36 dinars per kg. free RR wagon at seller's rail station</td>
</tr>
<tr>
<td>Barley</td>
<td>33</td>
</tr>
<tr>
<td>Maize, barley, oats</td>
<td>31</td>
</tr>
<tr>
<td>Rice</td>
<td>54-69</td>
</tr>
</tbody>
</table>

The selling price for flour is established by the cereal trading and processing enterprises and the flour-milling establishments on the basis of their cost calculations, with the proviso, however, that production costs and selling charges are subject to audit by the authorities in charge of the administration of commercial affairs.

Retail prices for wheat and rye flour and for bread are established by the trade enterprises on the basis of their cost calculations, with the proviso, however, that maximum costs in the retail trade and manufacturing costs in the bread-making trade are subject to the approval of the district authority responsible for trade questions.
(c) Extent of Government participation in (b)

The task of Government is to promote the development and set the pattern of cereal production by initiating appropriate measures, to prescribe the guaranteed prices and to exert general control over the trade in cereals and main products thereof.

4. Quantitative restrictions

The system of import restrictions described under IV also applies in the case of cereals and cereal products.

Wheat, rye, bran and flours of all sorts cannot be exported except with the sanction of the Chairman of the Foreign Trade Committee. Exports of maize, oats and barley are subject to a system of quotas controlled by a specialized section of the Federal Chamber for Foreign Trade.

5. Exchange practices (in respect of this sector)

Under existing exchange regulations, there are no provisions applying to the sector under reference other than those described under IV. There is no specific provision in the exchange regulations designed to stimulate exports of cereals or cereal products.

6. State trading

The sole undertaking authorized to import and export cereals and cereal products is the organization known as "Granexport". This organization conducts foreign trading in accordance with customary commercial practice within quotas established under a yearly import and export programme.

The margin of profit which "Granexport" is authorized to realize from its import and export operations is prescribed by the State Secretariat for Commercial Affairs.

Cereals and cereal products are subject to the import and export regulations described under Chapter V.

7. Subsidies on domestic production

(a) Amount of direct subsidy per unit

No special subsidy is granted on wheat production, except in the case of high-grade domestic varieties of wheat for sowing. The general rebate policy is set forth under Chapter I/5 and II/3.

(b) Net government expenditure (in respect of subsidies) during the last three years

Nil.
8. Export subsidies

(a) Amount of direct subsidy per unit

There are no direct export subsidies (see Chapter II).

(b) Net Government expenditure (in respect of such subsidies) during the last three years

Nil.

9. Level of protection

(a) Guaranteed prices or returns to farmers

Dinars per kg.

<table>
<thead>
<tr>
<th>Grain</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>36</td>
</tr>
<tr>
<td>Maize</td>
<td>33</td>
</tr>
<tr>
<td>Barley</td>
<td>31</td>
</tr>
<tr>
<td>Rye</td>
<td>33</td>
</tr>
<tr>
<td>Oats</td>
<td>31</td>
</tr>
</tbody>
</table>

10. Statistical information

Available statistical data on prices will be found in the annexed tabulations.

MEAT

1 and 2. Description of product and tariff measures

Meat and meat products: no tariff protection.

3. Non-tariff measures

(a) Brief description of agricultural policy and objectives

The object of the agricultural policy in respect of cattle-farming is to raise the level of productivity and to increase the number of livestock, which in turn will afford the means to improve the supply of foodstuffs and the structure of the population's diet, to promote the development of the food-processing industry and to increase exports of livestock, meat and meat products.

(b) Description of protection and support methods

The policy's objectives are achieved through implementation of general measures affecting farm production as a whole and of special measures of a zootechnic nature.

The general principles underlying the price policy, set forth under I/A and I/B, also apply to the sector of livestock, meat and meat products.
With a view to promoting cattle-raising, a system of guaranteed prices is resorted to in the case of fatstock and pure-bred pigs and sheep. A list of guaranteed prices will be found under 9. The Food Administration designates the undertakings engaged in the processing and wholesale trade of livestock and livestock products which are to purchase the entire volume of products offered by the agricultural undertakings in the event that market prices drop below minimum guaranteed prices.

A premium of 15 dinars per kg. is paid to support production of bacon pigs, white breed pigs raised for meat production, as well as yearlings of the bovine species and young beef cattle. On fattened beef yearlings of "baby beef" grade and on fattened calves, the premium amounts to 35 dinars per kg.

Maximum prices payable to agricultural undertakings for the purchase of bovine cattle and pigs are fixed by mutual agreement. A list of "agreed" or negotiated maximum prices will be found under 9.

Government endeavours to improve the quality of cattle by allowing rebates on imported breeding livestock. These rebates are listed under 7.

To enable cattle farmers to purchase industrial fodder products at reasonable prices, and to encourage cattle-raising in general, maximum prices are fixed for industrial fodder such as meals and oil-cakes of sunflower, soya beans, groundnuts, pumpkin seeds, colza seeds, bran, dried sugar-beet waste, etc.

Whilst prices for meat and meat products are not established in advance, municipal authorities are empowered to fix the amount of margin allowable for overhead charges on such products.

The food-canning industry is granted a rebate on imported tin plate used for the manufacture of tins (200 dinars per kg.) and on sugar consumed in processing (58 dinars per kg.).

(c) Extent of Government participation in (b)

The Government takes upon itself to issue appropriate measures to promote cereal production, to determine its pattern, to fix guaranteed prices and the amount of premiums to be granted to producers of quality livestock, to provide for payment of special rebates from State budget funds, and to exercise partial control over trade in this sector.

4. Quantitative restrictions

The system of quantitative restrictions described under IV also applies in the case of meat and meat products.

There are no quantitative restrictions on exports of livestock, meat and meat products, with the exception of foals and foal meat, calves up to the age of six months, veal and lard, which are subject to the granting of licences by the Chairman of the Foreign Trade Committee.
Exports of livestock on the hoof and of meat calves over six months old are controlled on a quota basis. Control over the distribution of quotas is exercised by a section of the Federal Chamber for Foreign Trade appointed to that effect. These expert controls are resorted to for the purpose of safeguarding the development of cattle farming.

5. **Exchange practices** (in respect of this sector)

Under existing exchange regulations, there are no provisions applying to the sector under reference other than those described under IV. There is no specific provision in the exchange regulations designed to stimulate exports of livestock, meat and meat products.

6. **State trading**

Yugoslavia is not a regular importer of meat and meat products. In the case of occasional imports of such products, the general provisions governing imports of agricultural products are applicable (see under II and IV).

7. **Subsidies on domestic production**

(a) **Amount of direct subsidy per unit**

A premium of 15 dinars per kg. is paid to subsidize production of bacon pigs, white breed pigs for meat production, yearlings of the bovine species and young beef cattle. On fattened beef yearlings of "baby beef" grade and on fattened calves, the premium amounts to 35 dinars per kg.

Rebates are payable to importers of breeding livestock when sold to agricultural undertakings below the import price; these rebates, based on a percentage of the import price, are as follows:

- On cows, heifers and bulls: 20 per cent
- On pigs of the Large White and Cornwall breeds: 30 per cent
- On sheep: 50 per cent

The food canning industry is entitled to the payment of rebates on imports of tin plate used for the manufacture of tins and on sugar consumed in processing, these rebates amounting to 200 dinars per kg. and 58 dinars per kg. respectively.

(b) **The amounts of Government expenditures incurred on account of the above premiums and rebates during each of the last three years for which statistics are available are shown hereunder** (in million dinars):

<table>
<thead>
<tr>
<th></th>
<th>1957</th>
<th>1958</th>
<th>1959</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premiums for fatstock</td>
<td>-</td>
<td>249.6</td>
<td>1,265.1</td>
</tr>
<tr>
<td>Rebates on imports of tin plate</td>
<td>-</td>
<td>-</td>
<td>2,217.8</td>
</tr>
<tr>
<td>Rebates on sugar</td>
<td>1,833.9</td>
<td>2,283.5</td>
<td>615.9</td>
</tr>
<tr>
<td>Premiums for the raising of breeding livestock</td>
<td>523</td>
<td>509</td>
<td>561</td>
</tr>
<tr>
<td></td>
<td>2,356.9</td>
<td>3,042.1</td>
<td>4,659.8</td>
</tr>
</tbody>
</table>
8. **Export subsidies**

(a) **Amount of direct subsidy per unit**

There are no export subsidies (see Chapter II).

(b) **Net Governments expenditure (in respect of such subsidies) for the last three years**

Nil.

9. **Level of protection**

(a) **Guaranteed prices or returns to farmers**

There are no guaranteed prices of returns to producers in respect of meat and meat products.

The following minimum guaranteed prices are fixed for bovine livestock for fattening and for pure-bred pigs and sheep, in dinars per kg., free RR wagon at seller's rail station:

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Dinars</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Pigs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Bacon pigs, categories I-III</td>
<td>210, 220 and 230</td>
</tr>
<tr>
<td>2.</td>
<td>White breed pigs raised for meat production</td>
<td>195 and 205</td>
</tr>
<tr>
<td>3.</td>
<td>Black breed pigs raised for meat production</td>
<td>185, 190 and 200</td>
</tr>
<tr>
<td>4.</td>
<td>Domestic breed pigs</td>
<td>160 and 170</td>
</tr>
<tr>
<td>B. Bovine livestock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Bovine livestock of all categories except Buša breed</td>
<td>105, 115 and 125</td>
</tr>
<tr>
<td>2.</td>
<td>Bovine livestock of domestic Buša breed</td>
<td>95 and 105</td>
</tr>
<tr>
<td>3.</td>
<td>Young bovine livestock, categories I and Ia</td>
<td>125 and 135</td>
</tr>
<tr>
<td>4.</td>
<td>Young fattened bovine livestock, categories I and Ia</td>
<td>160 and 170</td>
</tr>
<tr>
<td>5.</td>
<td>Young fattened bovine livestock of &quot;Baby beef&quot; grade, categories Ia and I</td>
<td>190 and 200</td>
</tr>
<tr>
<td>6.</td>
<td>Fattened calves, categories Ia and I</td>
<td>170 and 180</td>
</tr>
<tr>
<td>7.</td>
<td>Young bovine fattened livestock of domestic Buša breed, categories I and II</td>
<td>125 and 135</td>
</tr>
<tr>
<td>C. Sheep and lambs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Fattened lambs</td>
<td>120 and 140</td>
</tr>
<tr>
<td>2.</td>
<td>Fattened sheep</td>
<td>85 and 100</td>
</tr>
<tr>
<td>D. Fattened &quot;broiler&quot; chickens</td>
<td>Categories I, II and III</td>
<td>260, 280 and 300</td>
</tr>
</tbody>
</table>
10. Statistical information

Available statistical data on prices will be found in the annexed tabulations.

11. Prices fixed by agreement

As a result of an agreement entered into between the Federal Chambers of Commerce concerned, the following prices in dinars per kg. have been fixed as maximum prices payable to agricultural undertakings for bovine livestock and pigs:

A. Bovine livestock

1. Pure-bred and cross-bred bovine livestock,

   category II  up to 148 dinars
   category III " 125 "
   category IV " 110 "
   category V "  88 "

2. Young bovine livestock, pure-bred,

   up to 2 years of age:
   category II  up to 150 dinars
   category III -
   category IV -

3. Young bovine livestock of Buša and other domestic breeds,

   category II  up to 125 dinars
   category III " 110 "
   category IV "  95 "
   category V "  80 "

4. Young bovine livestock of Buša breed

   category I  up to 135 dinars
   category II " 125 "
   category III -

B. Pigs

1. White breed pigs raised for meat production,

   category I  up to 220 dinars

2. Black breed pigs raised for meat production,

   category I  up to 210 dinars
   category II " 200 "

3. Domestic breed pigs for lard production,

   category I  up to 195 dinars
   category II " 185 "
   category III " 175 "
   category IV and others " 165 "
MILK AND DAIRY PRODUCTS

1. and 2. Description of product and tariff measures

Milk and dairy products: no customs duties are levied on these products.

3. Non-tariff measures

(a) Brief description of agricultural policy and objectives:

Dairy production is primarily intended to cover the population's requirements. Present consumption of fresh milk per head in Yugoslavia (approximately 200 grammes per day) is among the lowest in Europe. In view of gradual changes, however, in the structure of the population and of its diet, there is every reason to expect a marked increase in milk consumption in future. With regard to cheese, a few special types only are exported. Of greatest importance to the domestic market is the processing of milk into powdered milk and cheese.

Steps to improve technical equipment and methods in milk production are being taken concurrently with general measures for the development of cattle farming. Imports of foreign breeding stock of breeds known for their high milk yield and improved feeding of milk cows have already resulted in increased milk production. One of the most important tasks to be tackled in the near future will be to adjust dairy capacity in line with milk production and to organize an adequate commercial network for the marketing of milk and dairy products.

(b) Description of protection and support methods:

Price formation, in respect of milk and dairy products, is allowed, in principle, to develop freely on the basis of supply and demand. In the larger cities, municipal authorities endeavour, with a view to protecting the consumers' interests, to equalize prices between the various lactation periods. Any losses which might be incurred by dairies as a result of the application of such measures are covered by appropriations to a varying extent.

(c) Extent of Government participation in (b):

Nil.

4. Quantitative restrictions

The system of import restrictions described under IV also applies in the case of milk and dairy products.

There are no export restrictions, except in respect of powdered milk, butter and melted butter which, due to their being in short supply, cannot be exported unless special sanction is granted by the Chairman of the Foreign Trade Committee.
5. **Exchange practices (in respect of this sector)**

Under existing exchange regulations there are no provisions applying to the sector under reference other than those described under IV. Neither is there any specific provision in the exchange regulations designed to stimulate exports of milk and dairy products.

6. **State trading**

None.

7. **Subsidies on domestic production**

(a) **Amount of direct subsidy per unit:**

There is no particular subsidy on milk and dairy products.

(b) **Net government expenditure (in respect of such subsidies) for the last three years:**

Nil.

8. **Export subsidies**

(a) No subsidies.

(b) Nil.

9. **Level of protection**

Nil.

10. **Statistical information**

Available data will be found in annexed tables.

**SUGAR**

1. and 2. **Description of product and tariff measures**

Sugar and sugar products: no customs duties are levied.

3. **Non-tariff measures**

(a) **Brief description of agricultural policy and objectives:**

The policy aims at an increase in sugar-beet production and in the capacity of sugar mills, with the object of meeting the population's ever-growing sugar consumption, of increasing the output of dried sugar beet pulp ("cosssettes") used as dry fodder and of molasses, and of promoting a rapid development of the foodstuff industries using sugar in their manufacturing processes. A downward trend in sugar imports is expected as a result.
In this connexion, plans are on foot for a considerable expansion of production capacity in the sugar industry and for the introduction of modern techniques and organization methods in this sector of agriculture.

(b) Description of protection and support methods

For the 1960 campaign the Federal Chambers concerned have come to an agreement as to the prices at which sugar beets are to be purchased. The price payable on the basis of this arrangement is 5.5 dinars per kg, in the case of individual farmers and 6.5 dinars in the case of agricultural undertakings. Out of the margin left to co-operatives an amount of 0.30 dinars is reserved for the agricultural development funds; 0.50 dinars is paid into a premium fund, while a sum of 0.70 dinars is shared between the co-operative and the trading union to cover overhead charges. A maximum selling price for sugar has been established, applying both to sugar manufacturing enterprises and to sugar importing concerns, amounting to 156 dinars per kg. of granulated sugar, free seller's rail station including turnover tax. The retail price amounts to 170 dinars for granulated sugar. For lump sugar, the maximum price is 15 dinars higher in both cases.

A maximum selling price of 10 dinars per kg. has been set for dried sugar-beet "cossettes".

(c) Extent of Government participation in (b)

The Government intervenes in the measures described under (b) by enacting the necessary provisions for the promotion of agricultural development, by controlling prices and by regulating sugar imports and exports.

4. Quantitative restrictions

The system of import restrictions described under IV also applies in the case of sugar and sugar products.

Exports of sugar and dried sugar-beet pulp ("cossettes") are subject to quotas, fixed annually.

5. Exchange practices (in respect of this sector)

There are no provisions other than those described under IV. Exchange regulations contain no specific provision designed to stimulate sugar exports.

6. State trading

The import regulations dealt with under Chapter V also apply in the case of sugar and sugar products.

7. Subsidies on domestic production

(a) Amount of direct subsidy per unit:

There is no specific subsidy in support of sugar production. The system of rebates applied to agriculture as a whole is described under Chapters Ib and II.
6. Export subsidies

(a) Amount of direct subsidy per unit

There is no direct export subsidy. (See chapter II)

(b) Net Government expenditure (in respect of these subsidies) for the last three years

Nil.

9. Level of protection

(a) There are no guaranteed prices on sugar.

10. Statistical information

Available statistical data will be found in the annexed tables.

VEGETABLE OILS

1. and 2. Description of product and tariff measures

Oil seeds and vegetable oils: no customs duties are levied.

3. Non-tariff measures

(a) The measures aimed at fostering production of oil seeds are designed to provide sufficient availability for cattle feeding, to ensure adequate production of edible vegetable oils for the population's needs and to utilize in full the producing capacity of oil-works.

(b) Apart from the general measures for the development of agriculture as a whole, special agricultural techniques are being introduced to increase output of oil seeds, including chiefly sunflower seeds and soya beans.

Prices payable to individual growers and to agricultural undertakings for oil seeds are established by mutual agreement. Agreed prices are listed under 9.

To stimulate development of cattle farming, maximum prices have been fixed for industrial fodder products such as meals and oil-cakes of sunflower seeds, soya beans, groundnuts, pumpkin seeds, colza seeds, bran, dried sugar-beet cossettes and for oil seeds. Maximum prices for meal and oil-cakes and for residues from vegetable oil extraction are listed under 9.

While prices for vegetable oils are not fixed, every enterprise engaged in the manufacture of such oils is required to give to the Federal Price Administration thirty days' advance notice of any price increase on linseed oil and castor oil. The Price Administration may then, if it deems it advisable, recommend suitable measures to the organizations concerned.

In a number of cities the municipal authorities are authorized to fix the maximum margin allowable for overhead expenses in the edible oil trade.
Measures taken by the Government under (b) in respect of oil seeds and vegetable oils include: general measures for the promotion of agricultural production, price control, and regulations on imports and exports.

4. **Quantitative restrictions**

The system of import restrictions described under IV also applies to vegetable oils.

Exports of concentrated fodder, soya beans, colza seeds, sunflower seeds and linseed are subject to the approval of the Chairman of the Foreign Trade Committee.

Exports of oil-cakes and of residues from vegetable oil extraction are regulated by quotas fixed annually, except in the case of those resulting from the pressing of imported linseed and poppy-seed.

5. **Exchange practices (in respect of this sector)**

Under existing exchange regulations there are no provisions applying to the products under reference other than those described under IV. Neither is there any specific provision in the exchange regulations designed to stimulate exports of oil seeds and vegetable oils.

6. **State trading**

Imports of edible vegetable oils are subject to the general import regulations described under Chapter V.

7. **Subsidies on domestic production**

(a) **Amount of direct subsidy per unit**

No special subsidy is being paid in support of oil seed and vegetable oil production. The general policy governing the granting of rebates was set out under Chapters Ib and II.

(b) **Net Government expenditure (in respect of such subsidies) for the last three years:**

Nil.

8. **Export subsidies**

(a) **Amount of direct subsidy per unit**

There is no direct export subsidy (see Chapter II).

(b) **Net Government expenditure (in respect of such subsidies) during the last three years**

Nil.

9. **Level of protection**

(a) There are no guaranteed prices in respect of vegetable oils, nor any guaranteed returns to producers.
(b) Prices to be paid in 1960 for oil seeds to individual farmers and to agricultural undertakings have been fixed by agreement between the Federal Chambers concerned.

10. Statistical information

Available statistical information on prices will be found in the annexed tables.

11. Prices fixed by agreement

<table>
<thead>
<tr>
<th>Price payable to</th>
<th>Individual producers</th>
<th>Agricultural undertakings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soya beans</td>
<td>50</td>
<td>55</td>
</tr>
<tr>
<td>Sunflower seeds</td>
<td>45</td>
<td>52</td>
</tr>
<tr>
<td>Colza seeds</td>
<td>60</td>
<td>65</td>
</tr>
<tr>
<td>Pumpkin seeds</td>
<td>50</td>
<td>58</td>
</tr>
<tr>
<td>Castor seeds</td>
<td>80</td>
<td>85</td>
</tr>
</tbody>
</table>

Included in the price payable to agricultural undertakings is an amount of 2 dinars intended for the Fund for the promotion of sunflower seed production.

Following are the maximum selling prices fixed for oil-cakes and residue from oil seeds:

<table>
<thead>
<tr>
<th></th>
<th>Oil-cakes</th>
<th>Residue after pressing</th>
</tr>
</thead>
<tbody>
<tr>
<td>of sunflower seeds</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>of soya beans</td>
<td>38</td>
<td>35</td>
</tr>
<tr>
<td>of groundnuts</td>
<td>32</td>
<td>30</td>
</tr>
<tr>
<td>of pumpkin seeds</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>of colza seeds</td>
<td>17</td>
<td>14</td>
</tr>
</tbody>
</table>

The above prices are in dinars per kg. of seeds and per kg. of oil-cakes and residue respectively.

FISH AND FISH PRODUCTS

1. and 2. Description of product and tariff measures

Fresh salt-water and fresh-water fish, fish flour, fish preserves: no customs duties are levied on these products.
3. **Non-tariff measures**

   (a) **Brief description of policy and objectives**

   **Sea fishery.** With regard to sea fishery, which provides the main livelihood, or at least an appreciable additional income, for the population of the Adriatic coast, the aim of the Government policy is to promote means of increasing the volume of fish production. The achievement of this objective would contribute to an improvement in the diet of the population - both on the coast and in other parts of the country - whose fish consumption averages 1/2 kg. per head per year. A further objective is to provide the means of expanding production of preserved fish and other products such as, primarily, fish flour used for cattle feeding; also to make better use of the production capacity of fish processing plants which hitherto have not worked to full capacity and have had to depend on foreign supplies for a portion of their output. A better yield from sea fishery will open possibilities for expanding exports of salt-water fish, both fresh and preserved. Furthermore, improved conditions in the fishing trade will create a demand for fishing vessels which will enable the smaller shipbuilding yards on the Adriatic coast to turn their facilities to better account.

   The attainment of these objectives will make it necessary to modernize the existing fishing fleet and to encourage the building of new, up-to-date vessels for both inshore and deep-sea fishing. The funds needed for the financing of these projects will be made available in the shape of credits by the Central Investment Fund.

   The domestic market for salt-water fish is still insufficiently developed, which may be ascribed partly to high prices, and partly to the lack of continuity in the availability of supplies and to the shortage of cold storage facilities. In view of the fact that export possibilities for fresh salt-water fish are rather limited, the development of sea fishery is dependent on a strong domestic market for fresh fish and on an adequate expansion of the fish processing establishments.

   **Fresh-water fishery.** In this sector, the objective of Government policies must necessarily be to provide means of increasing the production of fish obtainable from streams, lakes and ponds. This can only be achieved by modernizing equipment and introducing mechanization where necessary and by improving the quality of fish in inland basins.

   Steps have also been taken with a view to developing the home market for fresh-water fish, which suffers from the same ills as the home market for fresh sea-fish.

   (b) **Description of protection and support methods**

   Sea fishery and fresh-water fishery enjoy the same privileges as agriculture in the way of rebates on equipment, fuel and lubricants. In addition, fishery undertakings (fishermen's co-operatives) are entitled to special rebates on the purchase of equipment (fishing lamps, steelwire cables, nets, cork etc.) and on repairs to fishing boats (with a maximum limit of 50 per cent of the amount paid for work performed).
In the fish canning industry a rebate is granted on imported tin-plate for the manufacture of tins.

The sea and fresh-water fishery trade is also entitled to the same fiscal privileges and credit facilities as the other sectors of agriculture.

The market for salt-water and fresh-water fish is entirely free. The municipal authorities of a number of cities are authorized, under the general powers vested in them, to prescribe maximum selling prices for fish in the consumers' interest.

(c) Government participation in the measures under (b) consists of financing the rebates from federal funds and of determining any tax exemptions to be granted.

4. Quantitative restrictions

The system of import restrictions described under IV also applies in the case of fish oils.

There are no quantitative restrictions on exports except in respect of fish flour: due to the fact that this commodity is in short supply in Yugoslavia, exports are banned unless specifically authorized by the Chairman of the Foreign Trade Committee.

5. Exchange practices (in respect of this sector)

Under existing exchange regulations, there are no provisions applying to this sector other than those described under IV. Neither is there any specific provision in the exchange regulations designed to stimulate exports of fresh fish and fish products.

6. State trading

Nil.

7. Subsidies on domestic production

(a) amount of direct subsidy per unit

There is no direct subsidy on domestic production in this sector. The general policy governing rebates on agricultural products and the policy in respect of rebates granted to the fishery trade were dealt with under I/B, II and 3.

(b) Net Government expenditure (in respect of subsidies) during the

years

Special rebates granted to the fishery trade (in million dinars):

<table>
<thead>
<tr>
<th>Year</th>
<th>1957</th>
<th>1958</th>
<th>1959</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>434</td>
<td>392</td>
<td>324</td>
</tr>
</tbody>
</table>
8. **Export subsidies**

   (a) **Amount of subsidy per unit**

   No direct subsidy (see Chapter II).

   (b) **Net Government expenditure (in respect of subsidies) during the last three years**

   Nil.

9. **Level of protection**

   Guaranteed price or return to producers:

   Nil.

10. **Statistical information**

    Available statistical information on price will be found in the annexed tables.