STATE-TRADING OPERATIONS AFFECTING EXPORTS OF IFSS-DEVELOPED COUNTRIES

Information Supplied by Contracting Parties

Addendum

In response to L/1797, two more contracting parties, namely Denmark and Sweden have replied to the questions drawn up by Committee III. These replies are reproduced hereunder.

DENMARK

None of the commodities listed in Annex III to document L/1768 are subject to State trading in Denmark.

Attention is drawn to the Danish submission concerning State trading reproduced in document L/1014/Add.5. As will be seen from that paper, Denmark has notified that war material only is subject to practices described in Article XVII. The Danish authorities have reconsidered this notification and have come to the conclusion that this kind of material falls outside the scope of the questionnaire in document L/1014 about State trading.

SWEDEN

1. Tobacco is the only commodity concerned with regard to Sweden. In respect of tobacco the relevant regulations regarding State monopoly activities are laid down in the Act of 16 June 1961 concerning the State monopoly for the manufacture of tobacco goods.

According to these regulations the monopoly covers only the manufacture of tobacco products. The Swedish company in question ("Svenska Tobaks Aktiebolaget" - The Swedish Tobacco Company) has the exclusive right to import raw tobacco.

The restrictions on imports of tobacco products, which used to be in force, were abolished on 1 July 1961. The importers of such products set their prices freely. Furthermore, the same rates of customs and excise duties are applied to private imports as to imports carried out by the Swedish Tobacco Company.
2. The Swedish Tobacco Company is a mainly State-owned joint-stock company. However, it is operating in the same way as a private enterprise and is entirely independent of the government as to its activities.

3. Tobacco cultivation is inconsiderable in Sweden. The area grown up to 1961 amounts to about 150 hectares and the production to about 300 metric tons green weight. The cultivation of tobacco is free.

Taking into consideration that the Swedish Tobacco Company is the only domestic buyer of tobacco the grower must sell his product either to the Company or abroad. So far no export has taken place. The Company is under no obligation to purchase the domestic production.

4. Private importers and the Company compete on equal terms as regards imports of manufactured tobacco.

5. Import purchases are negotiated by the Company itself.

6. Steps have been taken to inform the Company of the GATT Declaration of 7 December 1961. The Company operates on commercial lines and all possible sources of supply are examined.

7. Statistics regarding raw tobacco are given below.

8. The proportional decline of imports from less-developed countries is wholly due to commercial factors as, for instance, insufficient supply of qualities in demand.

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1Reproduced in Spec(62)229.