

RESTRICTED

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1. The policy followed in Finland in connexion with import licences has, since 1 July 1955, been modified to make it more liberal, and a large number of primary commodities, auxiliary industrial materials and food products, the total import value of which is estimated at 65 milliard marks a year, or 40 per cent of the Finnish import trade, have been brought under a new procedure for the automatic issue of import licences. When previous measures of a like nature are taken into account, it may be said that practically the half of the Finnish export trade, assessed in accordance with last year's figures, is now covered by this system of automatic import licences.

2. The automatic import licence system will apply, inter alia, to imports of coffee, tea, condiments and wheat, to imports of sugar, mineral ores and most metals, coke, materials required by the pharmaceutical industry and a large number of colouring matters. The list of products for which import licences will be issued automatically will also include fertilizers, hides and skins, a large number of raw materials of the textile industry such as cotton, wool and artificial fibres and raw materials of the explosives industry.

3. The procedure which has just been adopted means, in the first place, that the Licences Office will issue to applicants, without individual investigation, the import licences required for the products covered by the recent decision. Even prior to 1 July 1955, licences were issued automatically, especially for chemical products needed by the timber industry, certain medicaments, literary works, etc. As a result of the decision, about 60 per cent of Finnish imports will become subject to the previous system for the issue of licences.

4. The automatic issue of licences applies to the import of the enumerated products of the country of origin when payment is made in the currencies stipulated in the payment agreements concluded between Finland and the countries concerned, with the exception of imports payable in dollars.

5. At the same time, a deposit system has been established for licences under which the licensee is required to deposit with the Bank of Finland, through the Licences Office, 10 per cent of the value c.i.f. of the goods to be imported, before using his licence. The deposit is refunded to the importer when he returns his licence, partially or wholly used, or unused. This system will tend gradually to do away with the deposit procedure in so far as the balance of payments position allows.

6. The obligation to make a deposit furthers to some extent the purposes of the monetary policy. Its primary aim is, however, to reduce the number of licence applications received at the present time, to give them a more realistic character and to rule out frivolous requests. Furthermore, an attempt is being made to reduce the number of existing licences by issuing licences entailing payment of a deposit for a period of six months, after which they may be renewed for one month only.