

RESTRICTED

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PREPARATION OF THE SIXTH ANNUAL REPORT UNDER ARTICLE XIV:1(g)

Information supplied in response to the Questionnaire
by the Government of

S W E D E N

Date: 5 July 1955

The information contained in this memorandum refers to the situation as it was in June 1955. The statistical material belonging to questions 1 and 2 which are contained in Table I attached, are based on preliminary statistical data for 1954 and have been calculated as if the import regulations in force in June 1955 had been in force during the whole of 1954.

Question No.1 - Technique of Restriction

In the answers hitherto given to the questionnaire contained in EISD First Supplement page 46, the State Trade and Industry Commission has interpreted the heading given in (i) of question No.1 "import licences without the fixing of quotas" as if they referred to free-listed goods in respect of which licensing was retained for special reasons such as for statistical purposes, control over the origin of the merchandise, its utilization or other similar reasons. The Commission has, however, now come to the conclusion that the above-mentioned purely automatic licensing should not be included under question No. 1 (i) but taken together with ordinary free-listing as imports without restrictions. This report will therefore differ in this respect from earlier reports.

Before details are given of the various commodity groups which are subject to restrictions, details are given for the sake of completeness of the commodity groups which are free from restrictions.

Without geographical limitations, stereotype blocks, books, sheet music, periodicals, maps and ice (c.f. appendix 1 to Royal Proclamation No. 82 of 14 March, 1947 regarding the general prohibition of imports set out on page 5 of the Trade and Industry Commission's Circular No. 199 attached) can be imported without import licence.

Commodities that are included in Appendix C to Commodity List H.I.K. 199 appended to the above-mentioned circular (OEEC Free-List pages 9-14) may also be imported licence free provided that both the country of origin and the country of purchase are any of the countries listed in appendix B to Circular No. 199 (Territories belonging to the OEEC area, the Outer Sterling Area, Finland, Indonesia and Yugoslavia pages 7-8).

In Circular No. 18 of 1955 the State Agricultural Board has listed additional commodities which are free listed to the same extent as indicated above in respect of commodities included in the Commission's Circular No. 199, i.e. fresh ray, Stat. No. 38; salted salmon and salmon trout, Stat. No. 46; other salted fish with the exception of mackerel, herring and Baltic Herring, Stat. No. 51; spiced or pickled fish, with the exception of herring and Baltic herring, Stat. No. 54; cheese, Stat. No. 69-70:3; feeding stuffs such as oat maize, vetches, fodder, peas and beans, barley and other grain except bread grains, Stat. No. 170-171, 173-175, 178, 181; bran, Stat. No. 191-194; macaroni or vermicelli, Stat. No. 303; meat preserved, Stat. No. 314, ex 321:2 and 3, and oil seed cakes and other feeding stuffs, Stat. No. 359-370, 372.

Trade with the so-called dollar area is now also to a large extent free-listed. Commodities listed in appendix B to the Trade and Industry Commission Circular No. 200 attached, pages 3-8, together with amendments in Circular No. 205, page 1 (dollar free-list), may be imported licence free from the dollar area, i.e. from those countries and territories mentioned in appendix A 15 Circular No. 200, with the exception of Columbia (page 2). Imports are free of licensing on condition that (a) the country of origin of the goods is a dollar country, (b) the country of purchase of a commodity is a dollar country or a country indicated in appendix B to Circular No. 199 (OEEC territories etc.) and that (c) payment shall be made in accordance with the regulations in force as regards payment from Sweden to the country of purchase. All the commodities contained in the dollar free-list are also re-printed in the above-mentioned OEEC free list.

In addition the State Agricultural Board (in its Circular No. 18 of 1955) has allowed imports of coffee from Brazil, oranges, mandarines, clementines, lemons, citruses and grapefruit and Seville oranges from Spain without import licences.

Imports of fatty raw materials etc., are governed by Royal Decree Nos. 395 and 578 of 5 June and 12 August 1953 respectively, together with the rules for applying the above-mentioned decrees. Licences are granted without restriction for imports from the OEEC in Paris, the Outer Sterling Area, Finland, Indonesia and Yugoslavia of commodities listed in these decrees which in the OEEC context are regarded as free-listed. Exceptions from this free-listing are liquid vegetable oils, (turnip and rape seed oil, ground nut oil, cotton seed oil, soya oil etc.) and margarine.

In the trade agreement with Spain for the period May 1955 - 30 April 1956, it has been agreed that Swedish import licences shall be granted without quantitative restrictions for commodities which are liberalized in respect of imports from the OEEC area. Similar provisions have been included in recent annual agreements.

Details of the commodity groups which are subject to restrictions are given below under the heading contained in the questionnaire.

(i) Import licences without fixed quotas

Under this group are included imports which are not free-listed or included under (ii) - (v).

(ii) Global quotas

At present there are global quotas only for salt herring imported from OEEC countries and for goldsmiths' wares and precious stones imported from OEEC area, the Outer Sterling Area and Indonesia.

(iii) The allotment of shares in quotas

Under this category should be included non-liberalized imports from countries with which Sweden has trade agreements with agreed quota lists. Thus details should be given here of non-liberalized imports (except global quotas) from the OEEC territories, Finland, Indonesia, Yugoslavia and Spain, and imports from the Soviet Union, Poland, Czechoslovakia, Hungary, Bulgaria, Eastern Germany and Japan.

(iv) Prohibitions

There is no commodity group under this heading.

(v) Other techniques, including barter and compensation arrangements

In this group should be included imports from the dollar countries (excluding Columbia) which in accordance with the Trade & Industry Commission's Circular No. 201 (pages 4-6) and No. 205 (page 2) and the State Agricultural Boards Circular No. 66/1954 (pages 7-8) and 4/1955 may take place without restriction provided that payment is made in so-called transit dollars or third countries' currencies.

Question No. 2 - State Trading

Imports of various agricultural products are in Sweden centralized through undertakings under state control. This centralization is associated with Swedish agricultural countries. The monopoly import of tobacco and wines and spirits, which is of earlier date, is due as regards tobacco to reasons of taxation and as regards wines and spirits to the Swedish temperance legislation.

Agricultural products for which at present state-or state controlled import monopolies are maintained are as follows:

A. Sugar

State support to the sugar industry means - in addition to tariff protection - that the domestic sugar industry (The Swedish Sugar Manufacturing Co. Ltd.) (Svenska Sockerfabriksaktiebolaget) is assured the sole right of importing sugar against the obligation to sign contracts for the cultivation of sugar beets

in accordance with prices and other conditions approved by the State for the purchase of the beets and for the sale of the finished products. The Sugar Company's activity in so far as it concerns business in sugar and its branches and the state relations thereto, is regulated annually in the contract, approved by the Riksdag, between the State and the Sugar Company.

Imports of sugar are controlled through decree No. 30 of 22 February 1932 according to which sugar may not be imported into the country by anyone except the State or a person to whom the King in Council assigns the right. This right has been assigned to the Swedish Sugar Manufacturing Company.

B. Bread Grains

Imports of bread grain and flour milled from bread grains are based on Royal Decree No. 379 of 8 June 1951, and are the monopoly of an economic association, the Swedish Grain Trading Association (Svensk Spanmalshandel). Members of the association include producers' organizations and undertakings engaged in the grain trade and in flour milling.

C. Meat and Pork

Imports of meat and pork are controlled through Royal Decree No. 379 of 8 June 1951 regarding the control of imports of certain live animals and agricultural products etc. Under special authority the right to import meat and pork (with the exception of salt horse meat, dried salt pork, pork butchers products and canned meats) has been allowed to the Swedish Meat Traders' Association (Svensk Lötthandel, förening u.p.a.).

D. Eggs

Imports of eggs etc., are controlled through Royal Decree No. 379 of 8 June 1951 regarding the control of imports of certain live animals and agricultural products etc. Under special authority the import rights have been to some extent and under certain conditions allotted to the Swedish Export and Import association for Eggs (Sveriges export- och importförening för ägg) and its members.

E. Tobacco

In accordance with Law No. 346 of 11 June 1943 regarding the State monopoly in the manufacture and import of tobacco, the State has the right to manufacture in the country or to have tobacco products manufactured and to import or have imported tobacco or tobacco products (monopoly rights). Private businesses engaged in the sale of tobacco may, however, in certain cases, import finished tobacco products for sale. The monopoly rights have been allowed by the State to the Swedish Tobacco Monopoly (AB Svenska Tobaksmonopolet). Special machines and special tools for the manufacture of tobacco, also cigarette paper and cigarette cartons, may be imported only on behalf of the Swedish Tobacco Monopoly or with Royal permission.

F. Wines and Spirits

In accordance with Royal Decree No. 436 of 18 June 1937, regarding the sale of intoxicating liquors, (wines and spirits), imports of intoxicating liquors may in general only be made by a company especially formed for the purpose, the Wine and Spirit Monopoly Company (AB Vin- & Spritcentralen). Companies carrying on retail trade ("system" companies) may also import such intoxicating liquors with the permission of the Control Board (Kgl. Kontrollstyrelsen).

In respect of commodities mentioned above under E and F (tobacco, wines and spirits) import licences in the ordinary way are granted by the appropriate licensing authority to the company which has been allotted the monopoly. These commodities have, however, been included on the OEEC liberalized list which means that the companies that under the special regulations mentioned above are entitled to import these commodities (AB Svenska Tobaksmonopolet and AB Vin och Spritcentralen) do not need to apply to the Trade and Industry Commission for special import licence in respect of imports from the OEEC area, the Outer Sterling Area, Indonesia, Finland and Yugoslavia, but may import unlimited quantities from these countries.

The monopoly trading referred to under A-F above is not due to balance-of-payments-reasons. The share of the State (monopoly) trade in the total import is shown in Table No. 1.

Question No. 3 - Basis of Restrictions

On account amongst other things of the extensive liberalization of imports, the allotment of shares in quotas based on "previous representative periods" has been found necessary in only a few cases recently. The following allotments amongst importers exist. There are, however, no allotments as between supplying countries based on "previous representative periods".

Genuine (knotted) Carpets from the United Kingdom

The allotment is based on the average value of importers' imports during the years 1950, 1951, 1952 and 1953 of knotted carpets of Iranian origin against payment to the United Kingdom.

Goldsmith's Products, Precious Stones etc.

Global quotas in respect of the OEEC area, Outer Sterling Area and Indonesia. Allotment is based on importers' import of such goods during 1952 and 1953 from the whole world except Czechoslovakia.

Question No. 4 - Action to avoid Damage to the Trade of other Parties

- (a) (i) As a result of the particularly extensive free listing and the comprehensive miscellaneous quotas in the majority of agreements, this question is not at present applicable to the bulk of Swedish imports.

(ii) Samples and patterns which on import have no commercial value or are made useless as merchandise by the Customs authorities, may be imported without licence in accordance with paragraph 3 of the Proclamation regarding the prohibition of imports 1947:82 (importförbudskungörelsen). Other samples and patterns may be imported without import licence if payment is not to be made (Trade and Industry Commission's Circular No. 165 sent with last year's report).

(iii) Patent drawings, stereotype blocks and copies thereof, in addition to reproductions and models, which are intended to accompany applications to the Patent and Registration Office (Kgl. Patent- och registreringsverket) for patents, registration of trade marks or samples or protection of models may also be imported without licence (Trade and Industry Commission's Circular No. 165).

(b) As a rule licences are not connected with a particular supplier, importers being free to choose in the country for which the licence is valid the seller that he finds most suitable.

Question No. 5 - Policy of Discrimination

As regards discrimination in respect of imports, see questions 1, 2, 8 and 9. Such discrimination as exists is due to foreign exchange difficulties e.g. in respect of imports from the dollar area.

The distribution of Swedish imports according to country of origin is shown in Table No. 6 in the attached publication *Manadsstatistik över handeln* (Monthly Trade Statistics) for 1955. Corresponding details relative to the years 1949-1953 have been supplied with earlier reports.

Question No. 6 - Considerations affecting Sources of Imports

As a rule trade is not directed so as to obtain imports from specified countries of supply. Imports from the dollar area of commodities which are not included in the dollar free-list (c.f. question I (v)) must, however, be restricted in view of the supply of dollars. In this case imports are not restricted to certain sources of supply within the dollar area. Imports from other countries are limited only in so far as required by current bilateral trade agreements. Recently, however, Swedish imports exceeding the agreed quotas have in many cases been possible so that the latter form of restriction has been applied only to a small extent. Examination of prices or other special examination of commercial considerations takes place only by way of exception.

Question No. 7 - Import Arrangements with other Countries

Material for provision of the required information is likely to be found in the bilateral trade agreements concluded with the various countries. Details of import statistics for 1954 are contained in Table No. 8 in the attached publication entitled "Monthly Trade Statistics" (*Manadsstatistik över handeln*) for 1955. The figures are classified on the basis of the Swedish Customs Tariff nomenclature. On the first pages in the publication will be found a description of the goods in the English language. Corresponding details for 1950-53 have been supplied with previous reports.

Question No. 8 - Import Programme for 1955

As far as the dollar area is concerned, the programme for 1955 has been drawn up with a view to the desirability of achieving a balance in dollar payments.

For countries included in the OEEC area and Outer Sterling Area, Sweden's policy and programme for 1955 is in accordance with a directive drawn up for the OEEC.

Other countries are of relatively little importance. In general, however, the policy must aim at balance with each individual country in view of current payments considerations.

The systems mentioned under Questions 1 and 2 should therefore in general be regarded as representative of the policy in 1955 as well.

Question No. 9 - Unforeseen protective Effects of the Restrictions

With the exception of certain agricultural and fish products, the control of imports is based mainly on foreign exchange considerations. As an example of measures intended to reduce incidental protective effects, the following may be mentioned:

- (a) The extensive free-listing means that unforeseen protective effects can on the whole only arise in connexion with a very limited number of commodities.
- (b) In recent times imports have in many cases been allowed to exceed the quotas established in the trade agreements.
- (c) The Swedish tariff level is amongst the lowest in the world.

Table I

Preliminary details of Sweden's import in 1954 calculated on the basis of import restrictions in force in June 1955.

	\$ million
I Government (monopoly) trading	68
II Private Import:	
- Liberalized imports	1,325
(i) Import licence without fixed quotas	120
(ii) Global quotas	4
(iii) Allotment of quota shares	220
(iv) Other methods	39
Total imports	1,776