

WORLD TRADE ORGANIZATION

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Working Party on
State Trading Enterprises

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STATE TRADING

Updating Notification Pursuant to Article XVII:4(a) of the GATT 1994
and Paragraph 1 of the Understanding on
the Interpretation of Article XVII

MAURITIUS

The following communication, dated 12 June 2002, has been received from the Permanent Mission of Mauritius.

The notification of Mauritius in respect of State Trading Enterprises is herewith submitted pursuant to Article XVII:4(a) of GATT 1994 and Paragraph 1 of the Understanding on the Interpretation of Article XVII. You may wish to note that the notification covers the Agricultural Marketing Board, the State Trading Corporation: the Mauritius Meat Authority and the Tobacco Board of Mauritius.

AGRICULTURAL MARKETING BOARD (AMB)

Question 1. Enumeration of State Trading Enterprise

Answer A. Agricultural Marketing Board

B. Description of controlled products (including tariff item number)

- (i) 03.05 Salted Fish
- (ii) 04.01 Milk (Fresh/Liquid)
- (iii) 07.01 Potatoes (in all forms) including Seed
- (iv) 07.03.10 Onions and Shallots
- (v) 07.03.20 Garlic
- (vi) 0708.20 Beans
- (vii) 0708.90 Other Broad Beans
- (viii) 0802 Groundnut
- (ix) 0805.10 Oranges
- (x) 0805.20 Tangerines, Mandarines
- (xi) 0805.30 Lemons and Limes
- (xii) 0805.40 Grapefruit
- (xiii) 0904-0910 Spices
- (xiv) 0910101 Ginger
- (xv) 10.05)
1103.13) Maize in all forms
1102.20)

Question II. Reason and Purpose

Answer A. The objectives of AMB may be summarized as follows:

- (i) to encourage local production of as much of the country's food requirements as is economically feasible;
- (ii) to ensure that marketing costs are at a minimum consistent with satisfying consumer demand;
- (iii) to limit price fluctuations in line with consumer preference;
- (iv) to operate its installations and other resources with maximum efficiency for the benefit of producers and consumers;
- (v) to regulate standards and quality of products falling under its control.

Question B. Summary of legal basis

Answer (i) Mauritius Agricultural Marketing Act 1963

(ii) The AMB was set up to:

- (a) provide or ensure the provision of efficient marketing facilities;
- (b) maintain the register of all producers, buying agents, millers and dealers;
- (c) acquire and disseminate market intelligence;

- (d) operate or provide for the operation of storage, handling, transport and processing facilities for controlled products;
- (e) buy, sell, import, export or otherwise deal in controlled products;
- (f) take measure as it considers necessary to stabilize, augment or reduce the production or prices of controlled products;
- (g) regulate the standards and quality of controlled products.

Question III. Description of the Functioning of the State Trading Enterprise

Answer A AMB generally sets out to achieve its objectives by:

- (a) inducing primary producers to invest for optimal yields through fixed floor prices reckoning a fair return above inputs recommended by research;
 - (b) eliminating market losses and providing modern storage and marketing facilities not requiring the intervention of middlemen;
 - (c) implementing a pricing policy based on cross-subsidization of local and imported produce to the best advantage of both producers and consumers.
- B. (a) By virtue of its controlled products, AMB has the sole right to import and market onions, garlic, maize, seed potatoes, turmeric, cardamoms.
- (b) The right to surrender any of the controlled products should the Board deem fit – Section 17 of its Act. It can also authorize sales in such quantity area, or during such period and conditions as may be specified by regulations made by the Minister on the advice of the Board.
- C. Any company, partnership or trader may import such commodities which though controlled by AMB, as permitted from time to time by AMB e.g. table potatoes, dry beans, chillies, ground nuts, spices, citrus fruits, onion seeds, ginger and maize derivatives (sweet corn). The import permits need to be endorsed by the AMB.
- D. Import/export are supplement to local production whenever estimated yearly production forecasts are below/above consumption levels.
- E. Export prices are selling prices of local products, plus 10 per cent.
- F. As AMB is run on sound commercial principle, imports are resold at cost c.i.f. Port Louis plus a percentage of expenses calculated to cover administrative, financial and storage costs.
- (a) Long term contracts are negotiated yearly with foreign companies for maize, potatoes and onions for part of the imports. AMB usually implements contractual agreements for potato seed programmes with subsidy implementation for Government.
- G. Controlled goods are usually bought by AMB through a guaranteed producer price based on cost of production plus a margin of profit. The goods are stored and sold to dealers at a margin for resale at retail level at prices fixed or recommended by AMB

or Government. Growers are encouraged to sell their own produce directly to the market. Imports are made by AMB except where permits have been issued to private importers. The prices are not controlled.

Table 1

STATE TRADING. AGRICULTURAL MARKETING BOARD
STATISTICAL INFORMATION, IMPORT 1995

Description of products (including HS No. 5)	Total quantity imported	Quantity imported by STE	Average Import price	Average representative domestic sales price	Mark up	Nominal production
1	2	3	4	5	6	7
	Tons	Tons	Rs/Ton	Rs/Ton	%	Tons
070190 Ware potatoes*	8,040	8,040	5,883	6,100	3.7	15,718
070110 Seed potatoes*	1,383	1,383	9,350	6,500	(30)	1,509
070320 Garlic	430	430	18,240	40,000	119	212
0100590 Maize	60,241	60,241	2,898	3,700	28	289
0910301 Turmeric fingers	86	86	10,819	31,000	196	N/A
0910309 Turmeric powders	36	36	12,728	34,000	175	N/A
070310 Onions	4,947	4,947	6,210	8,900	43	5,970
0908301 Cardamoms	7.5	7.5	188,000	350,000	60	N/A
0701331 Bean Seeds	5,750	5,750	62,330	80,000	28	N/A
0120991 Onion Seeds	-	-	-	-	-	-

* Prices subsidized by Government.

Table 1

STATE TRADING. AGRICULTURAL MARKETING BOARD
STATISTICAL INFORMATION, IMPORT 1996

Description of products (including HS No. 5)	Total quantity imported	Quantity imported by STE	Average Import price	Average representative domestic sales price	Mark up	Nominal production
1	2	3	4	5	6	7
	Tons	Tons	Rs/Ton	Rs/Ton	%	Tons
070190 Ware potatoes*	10,505	10,505	7,814	6,100	(21.93)	13,000
070110 Seed potatoes*	979	979	11,159	9,150	(18.00)	1,331
070320 Garlic	906	906	22,699	50,000	120.27	235
0100590 Maize	53,746	53,746	4,336	4,386	1.15	278
0910301 Turmeric fingers	175	175	15,594	40,000	156.51	N/A
0910309 Turmeric powders	100	100	23,355	45,000	92.66	N/A
070310 Onions	5,487	5,487	6,732	8,900	32.20	6,067
0908301 Cardamoms	4.50	4	237,582	450,000	89.41	N/A
0701331 Bean Seeds	28.86	9.26	57,682	80,000	38.69	N/A
0120991 Onion Seeds	0.78	0.74	967,687	2,400,000	148.01	N/A

* Prices subsidized by Government.

Table 1

STATE TRADING. AGRICULTURAL MARKETING BOARD
STATISTICAL INFORMATION, IMPORT 1997

Description of products (including HS No. 5)	Total quantity imported	Quantity imported by STE	Average Import price	Average representativ e domestic sales price	Mark up	Nominal production
1	2	3	4	5	6	7
	Tons	Tons	Rs/Ton	Rs/Ton	%	Tons
070190 Ware potatoes*	10,185	10,185	7,908	10,000	26.45	16,000
070110 Seed potatoes*	1,352	1,352	12,346	10,500	(14.95)	1,194
070320 Garlic	1,001	1,001	20,155	50,000	148.08	N/A
0100590 Maize	48,071	48,071	3,593	3,628	0.97	50.2
0910301 Turmeric fingers	134	134	19,228	40,000	108.30	N/A
0910309 Turmeric powders	83	83	25,886	45,000	73.84	N/A
070310 Onions	6,202	6,202	6,655	9,900	48.76	5,525
0908301 Cardamoms	7.04	5.5	302,209	450,000	48.90	N/A
0701331 Bean Seeds	20.125	12	58,895	80,000	35.83	N/A
0120991 Onion Seeds	1.211	1.055	1,908,171	2,400,000	25.77	N/A

* Prices subsidized by Government.

Table III

STATE TRADING: AGRICULTURAL MARKETING BOARD
STATISTICAL INFORMATION, DOMESTIC ACTIVITIES 1995

Description of products (including HS No. 3)	Domestic purchases	National production	Domestic sales	National consumption
1	2	3	4	5
	M/Tons	M/Tons	M/Tons	M/Tons
070190 Ware potatoes	3,253	15,718	2,023	20,600
070110 Seed potatoes	1,507	1,510	1,009	2,222
070320 Garlic	-	212	-	642
0100590 Maize	9.2	N/A	9	N/A
0910301 Turmeric fingers	-	N/A	-	N/A
0910309 Turmeric powders	4	N/A	3	N/A
070310 Onions	4,347	5,974	3,112	10,600
0908301 Cardamoms	NIL	N/A	NIL	N/A
0701331 Bean seeds	4	N/A	2	N/A
01209.91 Onion seeds	0.7	N/A	0.6	N/A

Table III

STATE TRADING: AGRICULTURAL MARKETING BOARD
STATISTICAL INFORMATION, DOMESTIC ACTIVITIES 1996

Description of products (including HS No. 3)	Domestic purchases	National production	Domestic sales	National consumption
1	2	3	4	5
	M/Tons	M/Tons	M/Tons	M/Tons
070190 Ware potatoes	2,225	13,000	2,726	22,200
070110 Seed potatoes	1,131	1,331	1,370	2,278
070320 Garlic	52	235	22.8	750
0100590 Maize	282	N/A	273	54,000
0910301 Turmeric fingers	NIL	N/A	NIL	164
0910309 Turmeric powders	1.7	N/A	5.8	88
070310 Onions	2,871	6,067	2,463	10,6000
0908301 Cardamoms	NIL	N/A	NIL	4.00
0701331 Bean seeds	NIL	N/A	2.4	29.00
0120991 Onion seeds	0.6	N/A	0.4	1.00

Table III

STATE TRADING: AGRICULTURAL MARKETING BOARD
STATISTICAL INFORMATION, DOMESTIC ACTIVITIES 1997

Description of products (including HS No. 3)	Domestic purchases	National production	Domestic sales	National consumption
1	2	3	4	5
	M/Tons	M/Tons	M/Tons	M/Tons
070190 Ware potatoes	2,128.8	16,000.0	1,829.0	21,000
070110 Seed potatoes	1,194.0	1,194.0	1,262	2,616
070320 Garlic	34.5	N/A	40.3	900
0100590 Maize	50.2	N/A	54.0	48,000
0910301 Turmeric fingers	NIL	N/A	NIL	122
0910309 Turmeric powders	NIL	N/A	NIL	111
070310 Onions	1,906.0	5,525.0	2,226.0	11,000
0908301 Cardamoms	NIL	N/A	NIL	7
0701331 Bean seeds	NIL	N/A	NIL	20
0120991 Onion seeds	NIL	N/A	NIL	1

MAURITIUS MEAT AUTHORITY

Question I Enumeration of State Trading Enterprises

Answer A. Mauritius Meat Authority

B. Description of products

Slaughter of Cattle and Goats
Tariff item number

Cattle: 01.02
Goats: 0104.20

Question II Reason and Purposes

A. The Mauritius Meat Authority was created in 1974 under the Meat Act with the following objective and power:

- (i) to establish and manage abattoirs;
- (ii) purchase and import livestock for slaughter;
- (iii) market meat, meat products and by-products of the slaughter process;
- (iv) construct, maintain and rent places for the sale of meat, meat products or by-products of the slaughtering process;
- (v) control and regulate the sale of meat and meat products;
- (vi) licence persons and premises in connection with the slaughter of animals for meat, and the preparation, processing, packing and marketing of meat; and
- (vii) with the approval of the Minister of Commerce, fix the price of meat and meat products.

Question B. Summary of Legal Basis

- Answer (i) Meat Act 1974;
- (ii) The Meat Authority ensured that livestock are slaughtered in no other place other than its abattoir;
- (iii) Meat and carcasses are delivered to the various sales points;
- (iv) Meatshops are duly licensed to operate as such; and
- (v) Animals are not slaughtered illegally.

Question III Description of the Functioning of the Meat Authority

Answer A. The Meat Authority has the power to import livestock for slaughter.

B. Animals are not imported by the Authority since the importation of same has been liberalized in 1996.

All local and imported animals meant for meat are slaughtered at the abattoir of the Authority. Slaughter effected at any other place is illegal under the Meat Act.

After inspection by the Veterinary Officers, the carcasses are transported in the Authority's meat vans to the various sales points around the island. A slaughter and transport fee is charged for such activities.

- C. Anybody can import slaughter stock after obtaining an import permit from the D.V.S. of the Ministry.
- D. This is done in consultation with the Meat Authority and the local breeders.
- E. Not applicable.
- F. Market forces.
- G. (i) Animals are imported through tenders and short term contracts not exceeding our market requirements for 6 months signed in terms of shipment to avoid shortage of meat in the market.
(ii) No.

The Meat Authority and Livestock Importers import livestock for slaughter. A part of the livestock is ensured by local breeder.

Meat is transported to markets and other meatshops where butchers or other licensed traders sell the meat to consumers.

Question IV Statistics

Answer No animal has been imported by the Meat Authority since 1997/98.

Question V. Additional Information

Answer The Authority has not been importing since 1996.

STATE TRADING CORPORATION

Question I Enumeration of State Trading Enterprises

Answer A. State Trading Corporation

B. Description of Products

Products	H.S. Code	Nature of exclusivity, Special rights, or privileges
(i) Rice (25-35% broken)	10063000	Sole importer
(ii) Wheat Flour	11010000	Sole importer
(iii) Petroleum products		
Motor gasoline	27100019	Sole importer
Gas oil	27100060	"
Dual purpose		
Kerosene	27100049	"
Fuel oil	27100070 (180 CST)	"

Question II Reason and Purpose

Answer A. The State Trading Corporation was created in 1982 with the following objective:

- (a) to negotiate the purchase of goods
- (b) to engage in the manufacture or processing of goods and to ensure their marketing
- (c) to import goods with a view to their marketing
- (d) to export goods, and
- (e) to engage in such other activities as may be authorized by the Minister.

Items (b) and (d) have not, to date, been dealt with by STC.

The State Trading Corporation was created to regulate and rationalize trade, particularly in relation to essential commodities.

- A. The State Trading Corporation was created by an Act of Parliament on 8 October 1992. It took over the activities of the Department of Supplies of the government, which was responsible for the importation and distribution of rice and wheat flour.

The Corporation status was envisaged to give greater flexibility than a Government Department, especially in the staffing, management and day-to-day business of the organization. In laying down the rules governing the functioning of the State Trading Corporation, the Government of Mauritius was guided by the willingness to give flexibility, maximum efficiency and reasonable autonomy to the Corporation while ensuring that it remains accountable to the Government and the Parliament of Mauritius.

As per the Act that created the STC the main guiding principle of the Corporation is that it "shall in carrying out its objectives operate on sound commercial principles". The Board of Directors comprising representatives both from the public sector and experienced businessmen from the private sector, with extensive powers to administer the Corporation is to confer a high degree of autonomy so vital to a commercial concern.

Question III. Description of the functioning of the State Trading Corporation

Answer A. Summary statement on the operations of the State Trading Corporation

Petroleum Products

The State Trading Corporation imports 100 per cent of the country's demand for petroleum products (HS code as per Par I b) in bulk c.i.f. and sells them to the four privately owned local oil companies, from the vessel's flange. The local oil companies own storage tanks and ensure distribution.

Rice

The State Trading Corporation imports 100 per cent of the country's demand for ration rice (25-35 per cent broken) on an f.o.b. basis; freights its own vessels, receive the cargo into its sheds, and from there sell to wholesalers.

Flour

The State Trading Corporation annually launches the tender of 50 per cent of the country's demand for flour. The Government has guaranteed the local milling company since it came into operation in 1989, the supply of the other 50 per cent to STC, at the best bid price obtained during the annual tender exercise. Flour is sold from STC stores to wholesalers and bakers.

Cement

The State Trading Corporation imports 50 per cent of the country's demand for cement in bulk in c.i.f. and sells to the local private cement company at c.i.f. plus margin.

The other 50 per cent is imported by the local cement company, which in turn distributes the total of the country's requirements.

B. Specification of exclusive or special rights or privileges enjoyed by the STE

The exclusive or special or privileges enjoyed by the State Trading Corporation are only in respect of being sole importer of petroleum products, rice (25 per cent broken) and flour. The Corporation pays all the necessary dues that are payable to the Port Authority, Custom Department/and other authorities at the prescribed rates applicable to all traders. STC does not enjoy any concessionary rates in the discharge of its activities.

C. Refer to A.

D. Imports/exports are a supplement to local production whenever estimated yearly production forecasts are below/above consumption levels.

E. Not applicable.

F. Resale prices are determined by the Ministry of Industry and Commerce for all inland sales to wholesalers, distributors and bakers.

G. Long Term Contracts

Rice

Formerly purchases were on Asian spot markets but now open international tenders are invited annually, and contracts are made with the successful bidders.

Flour

Bids are invited from international millers and the local milling company, through annual tenders for 50 per cent of the country's annual requirements. The government has guaranteed the local milling company, since it came into operation in 1989, the supply of 50 per cent of the country's requirements to STC. In case the best bidder is a foreign miller/exporter, the local milling company is required to match the lowest bid made by the foreign miller/exporter for the supply of its guaranteed 50 per cent of the country's requirement. In case the best bid is from the local milling company, the

latter supplies to the Corporation 100 per cent of the country's requirements at its bid price.

Cement

Bids are invited from potential suppliers of cement, through annual open international tenders, for 50 per cent of the country's annual requirements. The best bidder is awarded the contract for the tendered quantity.

Petroleum Products

The STC, in consultation with distributors, calls for international tenders for the estimated annual requirements for petroleum products as defined at I (b). Tenders are allocated to the two lowest bidders.

H. Market Structure

Products

Rice (broken 25-35 per cent)

Basmati	Oligopoly
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Petroleum products	100%
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(a) White products

(b) Fuel oil – 180 CST

Cement	50%
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Flour	100%
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STATE TRADING: STATE TRADING CORPORATION (STC)

STATISTICAL INFORMATION, IMPORTS (1995/96)

Description of product(s) (including HS number(s))		Total quantity imported metric tons	Quantity imported by STC metric tons	Average import price (c.i.f.)	STC sales price to wholesalers/ distributors
1		2	3	4	5
Rice (broken 25-35%)	10063000	57,039	57,039	Rs/mt 5,607	Rs/mt 4,420
Basmati		n.a.	11,970	9,197	13,200
Wheat flour	11010000	5,586	5,586	6,679	4,100
Petroleum products				Rs/litre	Rs/litre
Mogas	27100019	87,165	87,165	2.72	8.30 *9.1677 + 8% ST
Gas oil	27100060	234,782	234,782	2.81	4.52 *4.52 + 8% ST
D.P.K.	27100049	184,162	184,162	3.08	2.87 *3.42
Fuel oil	27100070	132,230	132,230	1.99	2.97 *2.97 + 8% ST
				Rs/mt	Rs/mt
Cement	25232900	n.a.	193,069	1,128	1,313.42 + S.T.

*w.e.f. 8 June 1996.

STATE TRADING: STATE TRADING CORPORATION (STC)

STATISTICAL INFORMATION, IMPORTS (1996/97)

Description of product(s) (including HS number(s))		Total quantity imported metric tons	Quantity imported by STC metric tons	Average import price (c.i.f.)	STC sales price to wholesalers/ distributors
1		2	3	4	5
Rice (broken 25-35%)	10063000	50,150	50,150	Rs/mt 6,723	Rs/mt 4,420
Basmati		n.a.	20,000	9,623	(1) 13,200 (2) 12,200 w.e.f. 19.05.97
Wheat flour	11010000	12,080	12,080	6,542	4,100
Petroleum products				Rs/litre	Rs/litre
Mogas	27100019	88,899	88,899	3.36	9.1677 + 8% *11.8066 + 8%
Gas oil	27100060	242,041	242,041	3.57	4.5201 + 8% *5.9553 + 8%
D.P.K.	27100049	207,089	207,089	3.75	3.42 *4.57
Fuel oil	27100070	155,857	155,857	2.29	2.97 + 8% *3.7037 + 8%
				Rs/mt	Rs/mt
Cement	25232900		161,021	1,266.23	1,313.42 + S.T.

*w.e.f. 21 December 1996

STATE TRADING: STATE TRADING CORPORATION (STC)

STATISTICAL INFORMATION, IMPORTS (1997/98)

Description of product(s) (including HS number(s))		Total quantity imported metric tons	Quantity imported by STC metric tons	Average import price (c.i.f.)	STC sales price to wholesalers/ distributors
1		2	3	4	5
Rice (broken 25-35%)	10063000	45,521	45,521	Rs/mt 6,689	Rs/mt 4,420
Basmati		n.a.	13,500	10,447	10,800
Wheat flour	11010000	14,105	14,105	6,016	4,100
Petroleum products				Rs/litre	Rs/litre
Mogas	27100019	87,024	87,024	3.28	11.8066* + 8%
Gas oil	27100060	268,154	268,154	3.03	5.9553** + 8%
D.P.K.	27100049	195,735	195,735	3.04	4.5700
Fuel oil	27100070	n.a.	148,725	2.21	3.7037*** + 8%
				Rs/mt	Rs/mt
Cement	25232900	n.a.	322,650	1,434	1,313.42 + S.T.

- * includes 220% import duty + excise duty
- ** includes 75% import duty
- *** includes 75% import duty

Table I

STATISTICAL INFORMATION, IMPORTS

Description of product(s) (including HS number(s))	Total quantity imported Kilos	Quantity imported by state trading enterprise	Average import price Rs/kg	Average representative domestic sales price	Mark-up	National production Kilos
1	2	3	4	5	6	7
Tea - 1995	11,365	Nil	90.70			3,785,044
(09-02) 1996	4,350	Nil	84.00			2,495,923
1997	8,500	Nil	107.00			1,787,415

Table II

STATISTICAL INFORMATION, EXPORTS

Description of product(s) (including HS number(s))	Total quantity exported Kilos	Quantity exported by state trading enterprise	Average procurement price	Average representative domestic sales price Rs/extending	Average export price	National production Kilos
1	2	3	4	5	6	7
Tea - 1995	2,894,366	Nil		80.90	Rs 17.58/kilo	3,785,049
(09-02) 1996	1,381,489	Nil		84.93	Rs 20.34/kilo	2,495,923
1997	436,234	Nil		89.98	Rs 28.74/kilo	1,787,415

Table III

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES

Description of product(s) (including HS number(s))	Domestic purchases by state trading enterprises	National production	Domestic sales by state trading enterprise	National production Kilos
Tea - 1995	Nil	3,785,044	Nil	1,137,904
(09-02) 1996	Nil	2,495,923	Nil	1,205,627
1997	Nil	1,787,415	Nil	1,299,166

TOBACCO BOARD

Question I. Enumeration of State Trading Enterprise

Answer A. TOBACCO BOARD

B. Description of product

<i>Description</i>	<i>HS Code</i>
Leaf tobacco, flue-cured, not stemmed	240 1101
Leaf tobacco, air-cured, not stemmed	240 1102

Question II. Reason and purpose

Answer A. Reason or purpose

The tobacco Board was set up in 1932 to control and regulate the production of leaf tobacco in Mauritius. Tobacco being a controlled product, the centralization of purchase and sale allows a thorough control for excise purposes. Additionally, the Board guarantees to the manufacturer a stable source of leaf tobacco and to the growers a ready market at steady prices.

The Board keeps a register of growers and provides support to them through its Extension/Advisory Service and its Mechanization and Inputs Fund.

B. Legal authority

The Tobacco Board operates under the legal framework of the Tobacco Production and Marketing Act (1943) as subsequently amended, and Regulations made under the Act by the Minister of Agriculture.

Question III. Description of the functioning

Answer A. Overview of operations

The Board grants to registered tobacco growers annual poundage quotas for production. The allocation of quotas is itself based on the demand from the only local cigarette manufacturer as conveyed before the start of the crop. Both the price paid to growers and the price paid by the manufacturer are fixed by the Board at the start of the crop after discussion with them.

The Board purchases all leaf tobacco produced by growers including any over-quota production, classifies, bulks, re-dries and bales the leaf. Thereafter the baled leaf is inspected and tested for moisture content by the manufacturer who then purchases it in the presence of a Government Excise Officer. Over-quota production is usually sold with the ensuing crop and this amount deducted from the overall quota allocated for that crop. This system does not penalize growers with good performances.

The Board runs and maintains bonded stores on behalf of the manufacturer against payment of the appropriate charges. It also provides, free of charge, an Extension/Advisory service to growers and has set up and successfully implemented a number of schemes with a view to reducing production costs and thereby enhancing growers' revenues.

Following an amendment to the Tobacco Production and Marketing Act enacted in December 1997, the Board has been invested with additional powers and has to concur with the prices of cigarettes as fixed by the manufacturer. Previously under the responsibility of the Ministry of Finance, this exercise particularly aims at ensuring that the duties payable have been correctly calculated in the price structure.

B. Rights and responsibilities

The Tobacco Board holds the right to purchase and sell all leaf tobacco produced in Mauritius. These purchases, however, do not influence the level of imports.

The Board is also responsible for the issue of import licences for both manufactured (cigarettes, etc.) and un-manufactured (leaf) tobacco.

The Board does not have preferential access to foreign exchange nor is it recipient of tax advantages or subsidies. In fact, the Tobacco Board is self-financing deriving most of its revenues from a mark-up on the purchase price of leaf tobacco. Its profits are subject to income tax at the normal company rate applicable to companies not listed on the stock exchange.

C. Import of leaf tobacco

The Tobacco Board does not import tobacco but the manufacturer does so for blending purposes. The licence to import leaf tobacco is issued on application and is presently free of charge.

D. Import/export level

There is no quantitative restriction on imports, but for cigarettes, each and every packet needs to bear an appropriate "Health Warning Sign". The control to tobacco is justified under Article XXb of the GATT Agreement.

E. There is presently no export of leaf tobacco from Mauritius.

F. Resale prices

Resale prices of imported products are determined by the importers themselves and market forces.

G. Long-term contracts

No long-term contracts have been negotiated up to now since the practice is to do so on a yearly basis.

H. Market structure

The domestic market structure is comparable to a production contract between the only cigarette manufacturer and the tobacco growers with the Board acting as a regulatory body and facilitator. Growers sell all leaf tobacco produced by them to the Tobacco Board's Warehouse and the Board, after processing it, sells the tobacco to the manufacturer.

Question IV. Statistical information

Answer This is provided in Tables I to III, which are annexed.

Question V. Reason why no foreign trade has taken place

Answer The Tobacco Board is authorized to export leaf tobacco from Mauritius. However, no export has ever been effected mainly because of the low volume available for that purpose, trade barriers and un-competitive world market prices.

Table I

STATE TRADING: TOBACCO BOARD

STATISTICAL INFORMATION, IMPORTS (1995)

Description of product(s)	HS code	Total quantity imported (kg)	Quantity imported by Tobacco Board	Average import price (Rs)	Average representative domestic sales price (Rs)	Mark-up	National production
	1	2	3	4	5	6	7
Leaf tobacco, stemmed Flue-cured Air-cured	240-1101	62,600	Nil	120	81.81	-	-

STATE TRADING: TOBACCO BOARD

STATISTICAL INFORMATION, IMPORTS (1996)

Description of product(s)	HS code	Total quantity imported (kg)	Quantity imported by Tobacco Board	Average import price (Rs)	Average representative domestic sales price (Rs)	Mark-up	National production
	1	2	3	4	5	6	7
Leaf tobacco, stemmed Flue-cured Air-cured	240-1101	62,800	Nil	131	85.74	-	-

STATE TRADING: TOBACCO BOARD

STATISTICAL INFORMATION, IMPORTS (1997)

Description of product(s)	HS code	Total quantity imported (kg)	Quantity imported by Tobacco Board	Average import price (Rs)	Average representative domestic sales price (Rs)	Mark-up	National production
	1	2	3	4	5	6	7
Leaf tobacco, stemmed Flue-cured Air-cured	240-1101	62,152	Nil	138	-	-	-

Table II

STATE TRADING: TOBACCO BOARD

STATISTICAL INFORMATION, EXPORTS

A Nil report is submitted.

Table III

STATE TRADING: TOBACCO BOARD

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES (1994-95)

Description of product(s)	H.S. code	Domestic purchases by Tobacco Board (kg)	National production (kg)	Domestic sales by Tobacco Board (kg)	National consumption (kg)
	1	2	3	4	5
Flue-cured	240-1101	907,744	907,744	894,415	848,920
Air-cured	240-1102	85,324	85,324	84,828	99,481

STATE TRADING: TOBACCO BOARD

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES (1995-96)

Description of product(s)	H.S. code	Domestic purchases by Tobacco Board (kg)	National production (kg)	Domestic sales by Tobacco Board (kg)	National consumption (kg)
	1	2	3	4	5
Flue-cured	240-1101	941,410	941,410	930,984	897,217
Air-cured	240-1102	104,963	104,963	101,605	117,574

STATE TRADING: TOBACCO BOARD

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES (1996-97 F.Y.)

Description of product(s)	H.S. code	Domestic purchases by Tobacco Board (kg)	National production (kg)	Domestic sales by Tobacco Board (kg)	National consumption (kg)
	1	2	3	4	5
Flue-cured	240-1101	650,581	650,581	684,267	
Air-cured	240-1102	85,600	85,600	89,477	969,120