

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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UNITED STATES EXPORT SUBSIDY ON SULTANAS

Note by the Greek Delegation

Addendum

Pursuant to their Report (L/146) the Greek delegation wish to submit for consideration by the CONTRACTING PARTIES the following data:

The export subsidy on sultanas raises a serious question for Greece. Following the United States who continue this year to subsidize exports of sultanas, although their subsidy was reduced this year, as compared with last year, Turkey too is paying (L/148) an export subsidy on sultanas amounting to between 28.50 and 35.60 dollars per ton. As a result, the situation of Greece in that sector of her export trade is becoming extremely difficult. We also stress the fact that Greece grants no export subsidy, either direct or indirect, on any of her products. It should be remembered that the recent devaluation of the drachma in Greece did not alter the existing situation because it was an actual one and represented the effective purchasing power of the drachma, both at home and abroad. The direct consequence of the United States and Turkish subsidies is to reinforce competition, and accentuate the drop in price of the product concerned on foreign markets.

A serious injury is thus caused to Greece, since in addition to sultanas, the country exports considerable quantities of currants, the prices of which are directly influenced by the price levels of sultanas. Whereas the price of sultanas varied last year in Greece at the same period between 260 and 280 dollars the ton f.o.b. at the Greek port, at the present time transactions are taking place at a much lower price, varying between 200 and 215 dollars f.o.b. by reason of the competition caused by the subsidies.

Greek economy is therefore suffering a genuine and considerable injury, which may reach 3 or 4 billion dollars in the course of the year 1953-54, if it is remembered that Greece exports generally from 80 to 90,000 tons of raisins per year, or 35 to 40,000 tons of sultanas and 45 to 55,000 tons of currants. This damage is particularly serious for Greece, since her aggregate resources from exports amount to 120 million dollars, one sixth at least of which must be supplied by exportation of raisins (currants and sultanas).