

WORLD TRADE ORGANIZATION

G/L/788
16 October 2006

(06-4962)

REPORT (2006) OF THE WORKING PARTY ON STATE TRADING ENTERPRISES

I. ORGANIZATION OF THE WORK OF THE WORKING PARTY

1. The Working Party on State Trading Enterprises was established by the Council for Trade in Goods at its meeting of 20 February 1995, pursuant to paragraph 5 of the Understanding on the Interpretation of Article XVII of the General Agreement on Tariffs and Trade 1994 (hereinafter "the Understanding"). Membership of the Working Party is open to all Members indicating their wish to serve on it. Observer governments in the General Council of the WTO have observer status in the Working Party. During the period under review (18 October 2005 – 12 October 2006), Mr. Benjamin Katjipuka (Namibia) assumed the Chairpersonship of the Working Party. Mr. Katjipuka was appointed by the Council for Trade in Goods at its meeting on 11 March 2005 to assume the chairpersonship for the year 2005-2006 and was re-appointed by the Council at its meeting on 10 March 2006 to chair the Working Party for the year 2006-2007.

2. The mandate of the Working Party, as set out in paragraph 5 of the Understanding, is: (i) to review notifications and counter-notifications on state trading; (ii) to review, in the light of the notifications received, the adequacy of the questionnaire on state trading (BISD 9S/184) and the coverage of state trading enterprises notified under paragraph 1 of the Understanding; and (iii) to develop an illustrative list showing the kinds of relationships between governments and enterprises, and the kinds of activities engaged in by these enterprises, which may be relevant for the purposes of Article XVII of the GATT 1994. Regarding the review of notifications, the Working Party having completed the mandated revision of the questionnaire on state trading, now reviews notifications in light of the questionnaire adopted on 2 April 1998 (G/STR/3) and revised on 14 November 2003 (G/STR/3/Rev.1). Regarding the Illustrative List of State Trading Relationships and Activities, the Working Party completed its mandate with the adoption of the illustrative list by the Council for Trade in Goods on 15 October 1999 (G/STR/4).

3. This Report is submitted under paragraph 5 of the Understanding. It sets out the activities of the Working Party during the period under review.

4. Participants in the Working Party's meetings to date are: Argentina; Australia; Bangladesh; Brazil; Brunei Darussalam; Bulgaria; Burundi; Canada; Chile; China; Colombia; Costa Rica; Cuba; Egypt; El Salvador; European Communities¹; Guatemala; Haiti; Hong Kong, China; Honduras; Iceland; India; Indonesia; Israel; Japan; Jordan; Kenya; Korea; Macao, China; Malaysia; Malta; Mauritius; Mexico; Morocco; New Zealand; Norway; Oman; Pakistan; Paraguay; Peru; Philippines; Romania; Saudi Arabia; Singapore; South Africa; Switzerland; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; Trinidad and Tobago; Tunisia; Turkey; United States; Uruguay; Venezuela; and Zambia. Ethiopia; Russian Federation; Sudan; Ukraine; and Vietnam participated as observers.

¹ The European Communities and its currently 25 Member States are counted as one.

5. Following the regular meeting held on 9 November 2004, the Working Party held two regular meetings during the period under review. The first was held on 26 January 2006 and the second was held on 12 October 2006. The Minutes of the regular meeting held on 26 January 2006 were circulated in document G/STR/M/15 and the minutes of the regular meeting held on 12 October 2006 will be circulated in document G/STR/M/16.

6. The next regular meeting of the Working Party will be held on 5 October 2007.

II. NOTIFICATION AND REVIEW OF MEMBERS' STATE TRADING ACTIVITIES

7. Under Article XVII of the GATT 1994 and paragraph 1 of the Understanding, all Members of the WTO are required to submit annual notifications of their state trading activities. New and full notifications were first required in 1995 and, subsequently, every third year thereafter, while updating notifications were to be made in the intervening years, indicating any changes since the last new and full notification. On 11 November 2003, the Working Party adopted the recommendation contained in document G/STR/5 regarding the frequency of notifications. The said recommendation, approved by the Council for Trade in Goods on 26 November 2003, modified the periodicity of state trading notifications so that new & full notifications on state trading are due every two years instead of every three years and the requirement of updating notifications in the intervening years is eliminated.

8. New and full notifications for 1998 were received from 53 Members and updating notifications for 1999 and 2000 were received from 46 and 43 Members, respectively². In 2001, new and full notifications were received from 53 Members and updating notifications for 2002 and 2003 were received from 41 and 32 Members, respectively³. New and full notifications for 2004⁴ and 2006⁵ were received from 30 and 13 Members, respectively⁶. (See Annex to this Report).

9. At its regular meeting of 26 January 2006, the Working Party reviewed 16 notifications: 2004 new and full notifications of Albania; Former Yugoslav Republic of Macedonia; Moldova; New Zealand; Peru; Qatar; Romania; Uganda; and the United States, 2003 updating notifications of Moldova; and Peru, 2002 and 2000 and 1999 updating notifications of Peru; and Peru's 2001 and 1998 new and full notifications. At its regular meeting of 12 October 2006, the Working Party reviewed 17 notifications: 2006 new and full notifications of Argentina; Armenia; Australia; Hong Kong, China; Kenya; Macao, China; Moldova; Romania; Thailand, 2004 new and full notifications of Argentina; the Czech Republic; Tunisia; and the United States⁷, 2003 and 2002 updating notifications of Argentina; and Tunisia. At that regular meeting, the Working Party also adopted its Annual Report to the Council for Trade in Goods for the year 2006.

² The European Communities and its then 15 Member States are counted as one.

³ The European Communities and its then 15 Member States are counted as one.

⁴ As Cyprus; the Czech Republic; Estonia; Hungary; Latvia; Lithuania; Malta; Poland; the Slovak Republic and Slovenia became European Communities' Member States on 1 May 2004, they were counted separately and not as part of the European Communities in order to reflect their previous notification obligation.

⁵ The European Communities and its currently 25 Member States are counted as one.

⁶ Chile and the European Communities submitted their 2004 and 2006 new and full notifications and their 2002 and 2003 updating notifications; and Saudi Arabia and the United States submitted their 2006 new and full notifications. However, as these notifications arrived late to be translated into WTO working languages and circulated in time for the October regular meeting, they will be reviewed at the subsequent regular meeting of the Working Party in 2007.

⁷ This notification was reviewed at the regular meeting of 26 January 2006, but was retained on the airgram of the subsequent regular meeting of the Working Party on 12 October 2006 pursuant to a request from Australia.

10. At the regular meeting of the Working Party held on 26 January 2006, the European Communities posed questions relating to New Zealand's 2004 new and full notification contained in document G/STR/N/10/NZL⁸. Australia and the European Communities posed questions regarding the United States' 2004 new and full notification contained in document G/STR/N/10/USA⁹. The European Communities announced that it would soon notify the Working Party, on behalf of its 25 Member States, that it no longer maintained any state trading enterprises. At the regular meeting of the Working Party held on 12 October 2006, the United States provided written answers to questions posed by Australia and the European Communities¹⁰, the European Communities posed oral questions with respect to the 2006 new and full notification of Australia contained in document G/STR/N/11/AUS, and New Zealand agreed to the request of the European Communities to provide written answers to the written questions posed by the European Communities in G/STR/Q1/NZL/4.

III. COMPLIANCE WITH THE NOTIFICATION OBLIGATION

11. At the regular meeting of the Working Party on 12 October 2006, the Chairperson expressed deep concern with the unsatisfactory state of compliance with the notification obligation. He drew Members' attention to the importance of prompt compliance with this obligation as being the prime target of the modification of the frequency of notifications. He referred to the recommendation contained in document G/STR/5 modifying the periodicity of state trading notifications and expressed his sincere hope that by the end of the current trial period, the Membership could achieve a tangible improvement in the notification status. The Chairperson also referred to the issue of the timing of the submission of notifications. He strongly emphasised the significance of 30 June as the date for all notifications to be submitted by Members, and made certain suggestions with a view to facilitating the translation, circulation, and review of notifications¹¹.

⁸ G/STR/Q1/NZL/4.

⁹ G/STR/Q1/USA/10 and G/STR/Q1/USA/9 respectively.

¹⁰ G/STR/Q1/USA/11.

¹¹ The Chairperson suggested, without prejudice to the June 30th date, that Members should endeavour to submit their notifications at least 10 weeks prior to the date of the meeting at which the notifications were to be reviewed, and that any written questions should be provided 6 weeks before the date of the meeting. He strongly urged the Membership to provide all written answers to written questions well in advance of the meeting. The Working Party took note of the Chairperson's statement.

ANNEX

**NOTIFICATIONS SUBMITTED BY WTO MEMBERS UNDER
ARTICLE XVII:4(A) OF THE GATT 1994 AND PARAGRAPH 1 OF THE
UNDERSTANDING ON THE INTERPRETATION OF ARTICLE XVII OF THE GATT 1994**

Status as of 12 October 2006¹²

Member	New and Full Notification (1998) G/STR/N/4	Updating Notification (1999) G/STR/N/5	Updating Notification (2000) G/STR/N/6	New and Full Notification (2001) G/STR/N/7	Updating Notification (2002) G/STR/N/8	Updating Notification (2003) G/STR/N/9	New and Full Notification (2004) G/STR/N/10	New and Full Notification (2006) G/STR/N/11
Albania	n.a.	n.a.					X	
Angola								
Antigua and Barbuda								
Argentina	X	X	X	X	X	X	X	X
Armenia	n.a.	n.a.	n.a.	n.a.	n.a.		X	X
Australia	X	X	X	X	X	X		X
Bahrain	X	X	X					
Bangladesh								
Barbados								
Belize								
Benin								
Bolivarian Republic of Venezuela	X	X	X	X				
Bolivia		X	X	X				
Botswana								
Brazil								
Brunei Darussalam								
Bulgaria				X	X		X	
Burkina Faso								
Burundi				X				
Cambodia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
Cameroon								
Canada	X							
Central African Republic								
Chad	X	X	X	X				
Chile	X	X	X	X	X	X	X	X
China	n.a.	n.a.	n.a.	X	X	X		

¹²An "X" indicates that a notification has been made. An "n.a." indicates that the notification obligation did not apply to the country in question as it was not a WTO Member at the time (a copy of document WT/INF/43/Rev.6 containing the WTO Membership entry into force of all WTO Members is attached). An § indicates that the country in question is currently a Member of the European Communities.

Member	New and Full Notification (1998) G/STR/N/4	Updating Notification (1999) G/STR/N/5	Updating Notification (2000) G/STR/N/6	New and Full Notification (2001) G/STR/N/7	Updating Notification (2002) G/STR/N/8	Updating Notification (2003) G/STR/N/9	New and Full Notification (2004) G/STR/N/10	New and Full Notification (2006) G/STR/N/11
Colombia	X			X	X	X		
Congo								
Costa Rica	X	X	X	X	X			
Côte d'Ivoire								
Croatia	n.a.	n.a.			X	X	X	
Cuba								
Cyprus ¹³ §				X	X	X		
Czech Republic ¹⁴ §	X	X	X	X	X	X	X	
Democratic Republic of the Congo								
Djibouti								
Dominica	X	X	X					
Dominican Republic								
Ecuador								
Egypt	X							
El Salvador	X	X	X					
Estonia ¹⁵ §	n.a.			X	X	X		
European Communities	X	X	X	X	X	X	X	X
Fiji	X							
Former Yugoslav Republic of Macedonia	n.a.	n.a.	n.a.	n.a.	n.a.		X	
Gabon								
The Gambia								
Georgia	n.a.	n.a.		X	X			
Ghana				X			X	
Grenada								
Guatemala	X	X	X	X	X			
Guinea, Republic of				X	X	X		
Guinea Bissau								
Guyana								

¹³ As this Member became a European Communities' Member State on 1 May 2004, it will appear on this table separately for the period 1998-2004 and not as part of the European Communities in order to reflect its previous notification obligation.

¹⁴ As this Member became a European Communities' Member State on 1 May 2004, it will appear on this table separately for the period 1998-2004 and not as part of the European Communities in order to reflect its previous notification obligation.

¹⁵ As this Member became a European Communities' Member State in on 1 May 2004, it will appear on this table separately for the period 1998-2004 and not as part of the European Communities in order to reflect its previous notification obligation.

Member	New and Full Notification (1998) G/STR/N/4	Updating Notification (1999) G/STR/N/5	Updating Notification (2000) G/STR/N/6	New and Full Notification (2001) G/STR/N/7	Updating Notification (2002) G/STR/N/8	Updating Notification (2003) G/STR/N/9	New and Full Notification (2004) G/STR/N/10	New and Full Notification (2006) G/STR/N/11
Haiti	X	X	X					
Honduras				X				
Hong Kong, China	X	X	X	X	X	X	X	X
Hungary ^{16§}	X	X	X	X	X	X		
Iceland	X	X						
India				X				
Indonesia	X			X	X		X	
Israel								
Jamaica				X				
Japan	X			X			X	
Jordan	X	X	X	X	X	X		
Kenya								X
Korea, Republic of	X							
Kuwait								
Kyrgyz Republic								
Latvia ^{17§}	X	X	X	X	X		X	
Lesotho								
Liechtenstein	X	X	X	X	X	X	X	
Lithuania ^{18§}	n.a.	n.a.	n.a.	X				
Macao, China	X	X	X	X	X	X	X	X
Madagascar								
Malawi								
Malaysia								
Maldives								
Mali								
Malta ^{19§}	X	X	X	X	X			
Mauritania								
Mauritius					X			
Mexico	X	X	X					

¹⁶ As this Member became a European Communities' Member State on 1 May 2004, it will appear on this table separately for the period 1998-2004 and not as part of the European Communities in order to reflect its previous notification obligation.

¹⁷ As this Member became a European Communities' Member State on 1 May 2004, it will appear on this table separately for the period 1998-2004 and not as part of the European Communities in order to reflect its previous notification obligation.

¹⁸ As this Member became a European Communities' Member State on 1 May 2004, it will appear on this table separately for the period 1998-2004 and not as part of the European Communities in order to reflect its previous notification obligation.

¹⁹ As this Member became a European Communities' Member State on 1 May 2004, it will appear on this table separately for the period 1998-2004 and not as part of the European Communities in order to reflect its previous notification obligation.

Member	New and Full Notification (1998) G/STR/N/4	Updating Notification (1999) G/STR/N/5	Updating Notification (2000) G/STR/N/6	New and Full Notification (2001) G/STR/N/7	Updating Notification (2002) G/STR/N/8	Updating Notification (2003) G/STR/N/9	New and Full Notification (2004) G/STR/N/10	New and Full Notification (2006) G/STR/N/11
Moldova	n.a.	n.a.	n.a.	X	X	X	X	X
Mongolia	X	X	X	X				
Morocco								
Mozambique								
Myanmar								
Namibia	X	X	X					
Nepal	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
New Zealand	X	X	X	X			X	
Nicaragua								
Niger								
Nigeria	X	X	X	X	X			
Norway	X	X	X	X				
Oman	n.a.	n.a.		X		X		
Pakistan	X	X	X	X	X	X		
Panama	X	X	X	X	X	X	X	
Papua New Guinea								
Paraguay	X							
Peru	X	X	X	X	X	X	X	
Philippines	X	X	X	X				
Poland ²⁰ §	X	X	X	X	X	X		
Qatar		X					X	
Romania	X	X	X	X	X	X	X	X
Rwanda								
Saint Kitts & Nevis								
Saint Lucia								
Saint Vincent & Grenadines	X	X	X					
Saudi Arabia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	X
Senegal								
Sierra Leone								
Singapore	X	X	X			X	X	
Slovak Republic ²¹ §	X	X	X	X	X	X		

²⁰ As this Member became a European Communities' Member State on 1 May 2004, it will appear on this table separately for the period 1998-2004 and not as part of the European Communities in order to reflect its previous notification obligation.

Member	New and Full Notification (1998) G/STR/N/4	Updating Notification (1999) G/STR/N/5	Updating Notification (2000) G/STR/N/6	New and Full Notification (2001) G/STR/N/7	Updating Notification (2002) G/STR/N/8	Updating Notification (2003) G/STR/N/9	New and Full Notification (2004) G/STR/N/10	New and Full Notification (2006) G/STR/N/11
Slovenia ²² §	X	X	X	X	X	X		
Solomon Islands								
South Africa	X	X	X	X	X			
Sri Lanka								
Suriname							X	
Swaziland								
Switzerland	X	X	X	X	X	X	X	
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu	n.a.	n.a.	n.a.	n.a.	X	X	X	
Tanzania								
Thailand				X	X	X	X	X
Togo								
Trinidad & Tobago	X							
Tunisia	X	X	X	X	X	X	X	
Turkey	X	X	X	X	X			
Uganda	X	X	X				X	
United Arab Emirates								
United States	X	X	X	X	X	X	X	X
Uruguay								
Zambia	X	X		X	X	X		
Zimbabwe								
Number of Notifying Members/Total Number of Members ²³	53/120	46/121	43/125	53/128	41/129	32/131	30/133	13/124

²¹ As this Member became a European Communities' Member State on 1 May 2004, it will appear on this table separately for the period 1998-2004 and not as part of the European Communities in order to reflect its previous notification obligation.

²² As this Member became a European Communities' Member State on 1 May 2004, it will appear on this table separately and not as part of the European Communities in order to reflect its previous notification obligation.

²³ The numerator and denominator used for the years 1998-2003 reflect the fact that, for each notification obligation, the European Communities submits a single notification that covers all its then 15 Member States. As Cyprus; the Czech Republic; Estonia; Hungary; Latvia; Lithuania; Malta; Poland; the Slovak Republic and Slovenia became European Communities' Member States on 1 May 2004, they were counted separately in this table and not as part of the European Communities in order to reflect their previous notification obligation. The numerator and the denominator used for the year 2006 reflect that the European Communities and its currently 25 Member States are counted as one. The total number of Members of the World Trade Organization is currently 149.

WORLD TRADE ORGANIZATION

WT/INF/43/Rev.6
12 December 2005

(05-5864)

ATTACHMENT

MEMBERSHIP OF THE WORLD TRADE ORGANIZATION

Revision

Upon the accession of the **Kingdom of Saudi Arabia**, on **11 December 2005**, the number of Members of the World Trade Organization will have reached **149**. The following is the list of Members, together with the effective dates of their membership:

<u>Government</u>	<u>Entry into Force/ Membership</u>
Albania	8 September 2000
Angola	23 November 1996
Antigua and Barbuda	1 January 1995
Argentina	1 January 1995
Armenia	5 February 2003
Australia	1 January 1995
Austria	1 January 1995
Bahrain , Kingdom of	1 January 1995
Bangladesh	1 January 1995
Barbados	1 January 1995
Belgium	1 January 1995
Belize	1 January 1995
Benin	22 February 1996
Bolivarian Republic of Venezuela	1 January 1995
Bolivia	12 September 1995
Botswana	31 May 1995
Brazil	1 January 1995
Brunei Darussalam	1 January 1995
Bulgaria	1 December 1996
Burkina Faso	3 June 1995
Burundi	23 July 1995
Cambodia	13 October 2004
Cameroon	13 December 1995
Canada	1 January 1995
Central African Republic	31 May 1995
Chad	19 October 1996

<u>Government</u>	<u>Entry into Force/ Membership</u>
Chile	1 January 1995
China	11 December 2001
Colombia	30 April 1995
Congo	27 March 1997
Costa Rica	1 January 1995
Côte d'Ivoire	1 January 1995
Croatia	30 November 2000
Cuba	20 April 1995
Cyprus	30 July 1995
Czech Republic	1 January 1995
Democratic Republic of the Congo	1 January 1997
Denmark	1 January 1995
Djibouti.....	31 May 1995
Dominica	1 January 1995
Dominican Republic	9 March 1995
Ecuador.....	21 January 1996
Egypt	30 June 1995
El Salvador	7 May 1995
Estonia	13 November 1999
European Communities.....	1 January 1995
Fiji	14 January 1996
Finland	1 January 1995
Former Yugoslav Republic of Macedonia	4 April 2003
France	1 January 1995
Gabon	1 January 1995
The Gambia.....	23 October 1996
Georgia	14 June 2000
Germany	1 January 1995
Ghana	1 January 1995
Greece	1 January 1995
Grenada	22 February 1996
Guatemala.....	21 July 1995
Guinea	25 October 1995
Guinea Bissau.....	31 May 1995
Guyana	1 January 1995
Haiti	30 January 1996
Honduras	1 January 1995
Hong Kong, China	1 January 1995
Hungary	1 January 1995
Iceland	1 January 1995
India	1 January 1995
Indonesia	1 January 1995
Ireland	1 January 1995
Israel	21 April 1995
Italy	1 January 1995
Jamaica.....	9 March 1995
Japan	1 January 1995
Jordan	11 April 2000
Kenya	1 January 1995
Korea, Republic of	1 January 1995

<u>Government</u>	<u>Entry into Force/ Membership</u>
Kuwait	1 January 1995
Kyrgyz Republic	20 December 1998
Latvia	10 February 1999
Lesotho	31 May 1995
Liechtenstein	1 September 1995
Lithuania.....	31 May 2001
Luxembourg.....	1 January 1995
Macao, China	1 January 1995
Madagascar	17 November 1995
Malawi	31 May 1995
Malaysia	1 January 1995
Maldives	31 May 1995
Mali	31 May 1995
Malta	1 January 1995
Mauritania	31 May 1995
Mauritius	1 January 1995
Mexico	1 January 1995
Moldova	26 July 2001
Mongolia	29 January 1997
Morocco	1 January 1995
Mozambique.....	26 August 1995
Myanmar	1 January 1995
Namibia	1 January 1995
Nepal	23 April 2004
Netherlands - For the Kingdom	1 January 1995
in Europe and for the Netherlands Antilles	
New Zealand	1 January 1995
Nicaragua	3 September 1995
Niger	13 December 1996
Nigeria	1 January 1995
Norway	1 January 1995
Oman	9 November 2000
Pakistan	1 January 1995
Panama	6 September 1997
Papua New Guinea.....	9 June 1996
Paraguay	1 January 1995
Peru	1 January 1995
Philippines.....	1 January 1995
Poland	1 July 1995
Portugal	1 January 1995
Qatar	13 January 1996
Romania	1 January 1995
Rwanda.....	22 May 1996
Saint Kitts and Nevis	21 February 1996
Saint Lucia.....	1 January 1995
Saint Vincent and the Grenadines	1 January 1995
Saudi Arabia.....	11 December 2005
Senegal	1 January 1995
Sierra Leone	23 July 1995

<u>Government</u>	<u>Entry into Force/ Membership</u>
Singapore.....	1 January 1995
Slovak Republic	1 January 1995
Slovenia.....	30 July 1995
Solomon Islands	26 July 1996
South Africa	1 January 1995
Spain	1 January 1995
Sri Lanka	1 January 1995
Suriname.....	1 January 1995
Swaziland	1 January 1995
Sweden	1 January 1995
Switzerland.....	1 July 1995
Chinese Taipei.....	1 January 2002
Tanzania	1 January 1995
Thailand.....	1 January 1995
Togo	31 May 1995
Trinidad and Tobago.....	1 March 1995
Tunisia	29 March 1995
Turkey	26 March 1995
Uganda	1 January 1995
United Arab Emirates	10 April 1996
United Kingdom.....	1 January 1995
United States of America.....	1 January 1995
Uruguay	1 January 1995
Zambia	1 January 1995
Zimbabwe.....	5 March 1995