



8 November 2019

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REPORT (2019) OF THE WORKING PARTY ON STATE TRADING ENTERPRISES

(ADOPTED 1 NOVEMBER 2019)

1 ORGANIZATION OF THE WORK OF THE WORKING PARTY

1. The Working Party on State Trading Enterprises (the Working Party) 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 (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.
2. The mandate of the Working Party is set out in paragraph 5 of the Understanding. The Working Party completed its mandate to develop an illustrative list of state trading relationships and activities with the adoption of the Illustrative List by the Council for Trade in Goods on 15 October 1999 (G/STR/4). Having also completed the mandated revision of the questionnaire on state trading, the Working Party now reviews notifications, in light of the revised questionnaire adopted on 14 November 2003 (G/STR/3/Rev.1), as well as counter-notifications.
3. This Report is submitted under paragraph 5 of the Understanding, which provides that the Working Group shall report annually to the Council for Trade in Goods. It sets out the activities of the Working Party during the review period, which runs from 20 October 2018 through 1 November 2019. During this period, the Working Party held two formal meetings under the Chairmanship of Mr. Kristian Henk (Austria), on 16 July and 1 November 2019, respectively. The minutes of the former have been circulated as document G/STR/M/35, while minutes of the latter will be circulated as G/STR/M/36.

2 NOTIFICATION AND REVIEW OF MEMBERS' STATE TRADING ACTIVITIES

4. Article XVII:4 of GATT 1994 and paragraph 1 of the Understanding require Members to notify their state trading enterprises to the Council for Trade in Goods. New and full notifications were first required in 1995 and, subsequently, every third year thereafter, with updating notifications to be made in the intervening years. Beginning in 2003, updating notifications were eliminated and the frequency of new and full notifications was increased to once every two years. This new approach was initially implemented on a trial basis. On 8 June 2012, the Working Party adopted the recommendation contained in document G/STR/8 to extend the current frequency of notifications on an indefinite basis.
5. During the period under review, the Working Party reviewed new and full notifications from Australia, Chile, Costa Rica, Georgia, Honduras, India, Mauritius, the Republic of Moldova, Montenegro, Samoa, the Republic of Seychelles, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, Zambia, and Ukraine. It also returned to the previously reviewed notifications of New Zealand and Viet Nam.
6. During both of the Working Party's meetings during the period under review, the Working Party also took up the following agenda items: (i) non-notification of STEs by Brazil (item requested by the United States); (ii) continued non-notification of STEs by the Russian Federation (item requested

by the United States); and (ii) continued non-notification of STEs by the United Arab Emirates (item requested by the United States).

3 COMPLIANCE WITH THE NOTIFICATION OBLIGATION

7. As of the end of the review period, 40 new and full notifications have been received for the 2016-2017 notification period (G/STR/22).

8. The following Members have not submitted any notification for this period: Afghanistan, Albania; Angola; Antigua and Barbuda; Armenia; Kingdom of Bahrain; Bangladesh; Barbados; Belize; Benin; Plurinational State of Bolivia; Botswana; Brunei Darussalam; Burkina Faso; Cabo Verde; Cambodia; Cameroon; Central African Republic; Chad; Colombia; Congo; Côte d'Ivoire; Cuba; Democratic Republic of the Congo; Djibouti; Dominica; Dominican Republic; Ecuador; Egypt; Fiji; Gabon; The Gambia; Ghana; Grenada; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti; Israel; Jamaica; Jordan; Kenya; the State of Kuwait; Kyrgyz Republic; Lao People's Democratic Republic; Lesotho; Madagascar; Malawi; Malaysia; Maldives; Mauritania; Mexico; Mongolia; Morocco; Mozambique; Myanmar; Namibia; Nepal; Niger; Nigeria; Oman; Pakistan; Panama; Papua New Guinea; Paraguay; Philippines; Qatar; Russian Federation; Rwanda; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Senegal; Sierra Leone; Solomon Islands; Sri Lanka; Suriname; Swaziland; Tajikistan; Tanzania; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia; Turkey; Uganda; United Arab Emirates; Uruguay; Vanuatu; Bolivarian Republic of Venezuela; Viet Nam; Yemen; and Zimbabwe.

9. Document G/STR/22 sets out the status of state trading notifications since 1995.

4 VICE-CHAIRPERSON FOR THE WORKING PARTY

10. At the meeting of 16 July 2019, the Working Party also took up the following agenda item: Discussion regarding a vice-chairperson for the Working Party on State Trading Enterprises (item requested by the United States).

11. It was noted that the first meeting of the Working Party during the review period had been delayed because the appointment of new officers by the Council for Trade in Goods had been delayed, the former Chairperson of the Working Party was no longer available, and the Working Party did not have a vice-chairperson. It was therefore proposed to take measures to avoid this happening in the future, such as having a vice-chairperson or an interim chairperson.

12. The officers of the Working Party that are appointed on an annual basis are elected by the Council for Trade in Goods, and the Council for Trade in Goods does not elect a vice-chairperson for the Working Party. The Chairperson of the Working Party therefore proposed that he would convey to the Chairperson of the Council for Trade in Goods the interest expressed in allowing the Working Party to have a vice-chairperson, and the Working Party took note of this proposed course of action. The Chairperson of the Working Party accordingly conveyed this interest to the Chairperson of the Council for Trade in Goods and reported back to the Working Group.

5 ADOPTION OF THE ANNUAL REPORT

13. The Working Party adopted its Annual Report to the Council for Trade in Goods for the year 2019.
