

WORLD TRADE ORGANIZATION

G/L/857
6 October 2008

(08-4732)

REPORT (2008) 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 (8 October 2007 – 3 October 2008), Mr. Pornvit SILA-ON (Thailand) assumed the Chairpersonship of the Working Party and was succeeded by Mrs. Virág DANI HALGAND (Hungary) who was appointed by the Council for Trade in Goods at its meeting on 8 April 2008 to assume the Chairpersonship for the year 2008-2009.

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; Burundi; Canada; Chile; China; Colombia; Costa Rica; Cuba; Ecuador; Egypt; El Salvador; European Communities¹; Guatemala; Haiti; Honduras; Hong Kong, China; Iceland; India; Indonesia; Israel; Jamaica; Japan; Jordan; Kenya; Korea; Macao, China; Malaysia; Malta; Mauritius; Mexico; Morocco; New Zealand; Norway; Oman; Pakistan; Paraguay; Peru; Philippines; Saudi Arabia; Singapore; South Africa; Switzerland; Chinese Taipei; Thailand; Trinidad and Tobago; Tunisia; Turkey; Ukraine; United States; Uruguay; Venezuela; Vietnam; Zambia and Zimbabwe. Ethiopia; Iran; Russian Federation and Sudan participated as observers.

¹ The European Communities and its 27 Member States are counted as one.

5. Following the regular meeting held on 8 October 2007, the Working Party held one regular meeting during the period under review. The meeting was held on 3 October 2008. The minutes of the regular meeting held on 3 October 2008 will be circulated in document G/STR/M/18.

6. The next regular meeting of the Working Party will be held on 16 October 2009.

II. NOTIFICATION AND REVIEW OF MEMBERS' STATE TRADING ACTIVITIES

7. 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, 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 and 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. An updating notification for 2003² was received from one Member. New and full notifications were received from 2 Members for 2004³, from 2 Members for 2006⁴ and from 13 Members for 2008⁵. (See Annex to this Report).

9. At its regular meeting of 3 October 2008, the Working Party reviewed 18 notifications: 2008 new and full notifications of Argentina; Armenia; Australia; Chile; Hong Kong, China; Macao China; Singapore; Chinese Taipei; Thailand; Turkey; Ukraine; United States; and Zimbabwe, 2004 and 2006 new and full notifications of Switzerland and Trinidad and Tobago, 2003 updating notification of Latvia. At that regular meeting, the Working Party also adopted its Annual Report to the Council for Trade in Goods for the year 2008.

10. At that meeting of the Working Party, Japan posed questions regarding Australia's 2008 new and full notification contained in document G/STR/N/12/AUS, the United States posed questions regarding Thailand's and Zimbabwe's 2008 new and full notifications contained in documents G/STR/N/12/THA and G/STR/N/12/ZWE respectively, and the European Communities made a comment regarding the 2008 new and full notification of Ukraine contained in document G/STR/N/12/UKR.

III. COMPLIANCE WITH THE NOTIFICATION OBLIGATION

11. With respect to the status of compliance with the notification obligation, the Chairperson, supported by Australia, expressed grave concern about the deteriorating state of affairs pertaining to this issue. She drew Members' attention to the importance of prompt compliance with the notification obligation which became far less burdensome after the modification of the periodicity of state trading notifications and sincerely hoped that the extension of the application of the recommendation on the frequency of notifications for a further period of time would bring about some tangible improvement and a higher degree of compliance with the notification obligation. She also conducted a discussion on possible options for enhancing compliance with the notification obligation. In this respect,

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

³ 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, for the period 2003-2004, in order to reflect their previous notification obligation.

⁴ The European Communities and its then 25 Member States are counted as one.

⁵ The European Communities and its 27 Member States are counted as one.

Members indicated the need to reflect further on the reasons and possible options and agreed to hold further informal consultations on the matter.

12. On the issue of the "Frequency of Notifications", the new frequency of notifications as contained in G/STR/5 was to be implemented for a trial phase of four years, commencing on 30 June 2004. Paragraph 4 of the recommendation directs the Working Party to review the situation with regard to compliance with the new notification obligation at the end of the four year trial phase. The objective of this review was to determine whether to extend the application of the recommendation, either as presently drafted or in a modified form, for a further period. To this end, the Working Party held informal consultations on 9 May 2008 in order to explore the Membership's views in this respect. The debate focused on whether the modification of the frequency of the notifications has improved Members' compliance with the notification obligation, whether the application of that recommendation should be extended for a further specified period or indefinitely and whether such extension should be made on the basis of the substance of the recommendation as presently drafted or in a modified form. The Working Party observed that as the period of the application of the current recommendation was too short to obtain the necessary clarity as to whether the frequency of notifications applied as of the year 2004 has improved the compliance with the notifications obligation, the Working Party has concluded that it would be desirable to extend the application of this recommendation for two additional years until 30 June 2010. Accordingly, the Working Party adopted a draft recommendation to this effect at its regular meeting on 3 October 2008 and referred it to the Council for Trade in Goods for action.

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 3 October 2008⁶

| Member | 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 | New and Full Notification (2008) G/STR/N/12 |
|-------------------------------------|---|--|--|--|
| Albania | | X | | |
| Angola | | | | |
| Antigua and Barbuda | | | | |
| Argentina | X | X | X | X |
| Armenia | | X | X | X |
| Australia | X | X | X | X |
| Bahrain | | | | |
| Bangladesh | | | | |
| Barbados | | | | |
| Belize | | | | |
| Benin | | | | |
| Bolivarian Republic of Venezuela | | | | |
| Bolivia | | | | |
| Botswana | | | | |
| Brazil | | | | |
| Brunei Darussalam | | | | |
| Bulgaria ⁷ § | | X | | |
| Burkina Faso | | | | |
| Burundi | | | | |
| Cambodia | n.a. | | | |
| Cameroon | | | | |

⁶ An "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.10 listing all WTO Members, together with the effective dates of their membership is attached). An § indicates that the country in question is currently a Member of the European Communities. The shaded boxes indicate that the corresponding notification was submitted by the European Communities.

⁷ As this Member became a European Communities' Member State on 1 January 2007, it will appear on this table separately and not as part of the European Communities, for the period 2003-2006, in order to reflect its previous notification obligation.

| Member | 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 | New and Full Notification (2008) G/STR/N/12 |
|----------------------------------|---|--|--|--|
| Canada | X | X | X | |
| Cape Verde | n.a. | n.a. | n.a. | |
| Central African Republic | | | | |
| Chad | | | | |
| Chile | X | X | X | X |
| China | X | | | |
| Colombia | X | X | X | |
| Congo | | | | |
| Costa Rica | | | | |
| Côte d'Ivoire | | | | |
| Croatia | X | X | | |
| Cuba | | | | |
| Cyprus ⁸ § | X | | | |
| Czech Republic ⁹ § | X | X | | |
| Democratic Republic of the Congo | | | | |
| Djibouti | | | | |
| Dominica | | | | |
| Dominican Republic | | | | |
| Ecuador | | | | |
| Egypt | | | | |
| El Salvador | | | | |
| Estonia ¹⁰ § | X | | | |
| European Communities | X | X | X | |
| Fiji | | | | |

⁸ 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, for the period 2003-2004, in order to reflect its previous notification obligation.

⁹ 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, for the period 2003-2004, in order to reflect its previous notification obligation.

¹⁰ 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, for the period 2003-2004, in order to reflect its previous notification obligation.

| Member | 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 | New and Full Notification (2008) G/STR/N/12 |
|---------------------------|---|--|--|--|
| Gabon | | | | |
| The Gambia | | | | |
| Georgia | | | | |
| Ghana | | X | | |
| Grenada | | | | |
| Guatemala | | | | |
| Guinea, Republic of | X | | | |
| Guinea Bissau | | | | |
| Guyana | | | | |
| Haiti | | | | |
| Honduras | | | | |
| Hong Kong, China | X | X | X | X |
| Hungary ¹¹ § | X | | | |
| Iceland | | | | |
| India | | | | |
| Indonesia | | X | | |
| Israel | | | | |
| Jamaica | | | | |
| Japan | | X | X | |
| Jordan | X | | | |
| Kenya | | | X | |
| Korea, Republic of | | | | |
| Kuwait | | | | |
| Kyrgyz Republic | | | | |
| Latvia ¹² § | X | X | | |
| Lesotho | | | | |
| Liechtenstein | X | X | | |
| Lithuania ¹³ § | | | | |
| Macao, China | X | X | X | X |

¹¹ 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, for the period 2003-2004, in order to reflect its previous notification obligation.

¹² 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, for the period 2003-2004, in order to reflect its previous notification obligation.

¹³ 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, for the period 2003-2004, in order to reflect its previous notification obligation.

| Member | 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 | New and Full Notification (2008) G/STR/N/12 |
|------------------------|---|--|--|--|
| Malawi | | | | |
| Malaysia | | | | |
| Maldives | | | | |
| Mali | | | | |
| Malta ¹⁴ § | | | | |
| Mauritania | | | | |
| Mauritius | | | | |
| Mexico | | | | |
| Moldova | X | X | X | |
| Mongolia | | | | |
| Morocco | | | | |
| Mozambique | | | | |
| Myanmar | | | | |
| Namibia | | | | |
| Nepal | n.a. | | | |
| New Zealand | | X | | |
| Nicaragua | | | | |
| Niger | | | | |
| Nigeria | | | | |
| Norway | | | | |
| Oman | X | | | |
| Pakistan | X | | | |
| Panama | X | X | | |
| Papua New Guinea | | | | |
| Paraguay | | | | |
| Peru | X | X | | |
| Philippines | | | | |
| Poland ¹⁵ § | X | | | |
| Qatar | | X | X | |

¹⁴ 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, for the period 2003-2004, in order to reflect its previous notification obligation.

¹⁵ 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, for the period 2003-2004, in order to reflect its previous notification obligation.

| Member | 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 | New and Full Notification (2008) G/STR/N/12 |
|--|---|--|--|--|
| Romania ¹⁶ § | X | X | X | |
| Saint Kitts & Nevis | | | | |
| Saint Lucia | | | | |
| Saint Vincent & Grenadines | | | | |
| Saudi Arabia | n.a. | n.a. | X | |
| Senegal | | | | |
| Sierra Leone | | | | |
| Singapore | X | X | X | x |
| Slovak Republic ¹⁷ § | X | | | |
| Slovenia ¹⁸ § | X | | | |
| Solomon Islands | | | | |
| South Africa | | | | |
| Sri Lanka | | | | |
| Suriname | | X | | |
| Swaziland | | | | |
| Switzerland | X | X | X | |
| Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu | X | X | X | X |
| Tanzania | | | | |
| Thailand | X | X | X | X |
| Tonga | n.a. | n.a. | n.a. | |
| Togo | | | | |
| Trinidad & Tobago | | X | X | |
| Tunisia | X | X | | |
| Turkey | | | X | X |
| Uganda | | X | | |
| Ukraine | n.a. | n.a. | n.a. | X |

¹⁶ As this Member became a European Communities' Member State on 1 January 2007, it will appear on this table separately and not as part of the European Communities, for the period 2003-2006, 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 and not as part of the European Communities, for the period 2003-2004, 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 and not as part of the European Communities, for the period 2003-2004, in order to reflect its previous notification obligation.

| Member | 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 | New and Full Notification (2008) G/STR/N/12 |
|---|---|--|--|--|
| United States | X | X | X | X |
| Uruguay | | | | |
| Vietnam | n.a. | n.a. | n.a. | |
| Zambia | X | X | X | |
| Zimbabwe | | | X | X |
| Number of Notifying Members/Total Number of Members¹⁹ | 34/131 | 35/133 | 24/124 | 13/126 |

¹⁹ The numerator and denominator used for the years 2003-2004 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, for the period 2003-2004, 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 then 25 Member States are counted as one, while the numerator and the denominator used for the year 2008 reflect that the European Communities and its 27 Member States are counted as one. The total number of Members of the World Trade Organization is currently 153.

WORLD TRADE ORGANIZATION

WT/INF/43/Rev.10
18 July 2008

(08-3490)

MEMBERSHIP OF THE WORLD TRADE ORGANIZATION

Revision

Upon the accession of Cap Verde, on **23 July 2008**, the number of Members of the World Trade Organization will have reached **153**. 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 |
| Cap Verde..... | 23 July 2008 |
| Central African Republic | 31 May 1995 |
| Chad | 19 October 1996 |
| Chile | 1 January 1995 |
| China | 11 December 2001 |

| <u>Government</u> | <u>Entry into Force/ Membership</u> |
|---|---|
| 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 |
| Kuwait | 1 January 1995 |
| Kyrgyz Republic | 20 December 1998 |

| <u>Government</u> | <u>Entry into Force/ Membership</u> |
|--|---|
| 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 in Europe and for the Netherlands Antilles | 1 January 1995 |
| 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 |
| Singapore..... | 1 January 1995 |
| Slovak Republic | 1 January 1995 |

| <u>Government</u> | <u>Entry into Force/ Membership</u> |
|-------------------------------|---|
| 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 |
| Tonga | 27 July 2007 |
| Trinidad and Tobago..... | 1 March 1995 |
| Tunisia | 29 March 1995 |
| Turkey | 26 March 1995 |
| Uganda | 1 January 1995 |
| Ukraine | 16 May 2008 |
| United Arab Emirates | 10 April 1996 |
| United Kingdom..... | 1 January 1995 |
| United States of America..... | 1 January 1995 |
| Uruguay | 1 January 1995 |
| Viet Nam | 11 January 2007 |
| Zambia | 1 January 1995 |
| Zimbabwe..... | 5 March 1995 |