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## REPORT (2015) OF THE WORKING PARTY ON STATE TRADING ENTERPRISES

### 1 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.
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 10 October 2014 through 12 October 2015. During this period, the Working Party held two formal meetings under the Chairmanship of Mr Andrew Jory (Australia), on 25 June and 12 October 2015. The minutes of the former have been circulated as document G/STR/M/27, while minutes of the latter will be circulated as G/STR/M/28. The Working Party agreed that it would meet twice in 2016, in April and October.

### 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, while updating notifications were to be made in the intervening years. In 2003, the Working Party adopted the recommendation contained in document G/STR/5 regarding the frequency of notifications. This recommendation, approved by the Council for Trade in Goods on 26 November 2003, modified the frequency of notifications on state trading enterprises to new and full notifications on a biannual basis only. The new frequency was implemented for a trial phase of four years, commencing on 30 June 2004. In 2008 and again in 2010, the Working Party extended the new frequency for two additional years.<sup>1</sup> On 8 June 2012, the Working Party adopted the recommendation contained in document G/STR/8 to extend the current frequency of notification on an indefinite basis.

5. During the period under review, 45 new and full notifications and 22 updating notifications were received. The Working Party reviewed all of these notifications at its regular meeting on 12 October 2015. The new and full notifications included: (a) the 2014 notifications from Ecuador; Haiti; Indonesia; Republic of Korea; Kyrgyz Republic; Lao People's Democratic Republic; Malawi; Malaysia; Mauritius; Moldova; Montenegro; Nicaragua; Qatar; and Togo (b) the 2012 notifications from Indonesia; Kyrgyz Republic; Malawi; Mauritius; Nicaragua; and Qatar; (c) the 2010 notifications from Indonesia; Kyrgyz Republic; Malawi; and Nicaragua; (d) the 2008 notifications

<sup>1</sup> G/STR/6 and G/STR/7.

from Kyrgyz Republic; Malawi; Nicaragua and Togo; (e) the 2006 notifications from Kyrgyz Republic; Malawi; Nicaragua and Togo; (f) the 2004 notifications from Kyrgyz Republic; Malawi; Nicaragua and Togo; (g) the 2001 notifications from Kyrgyz Republic; Malawi; Nicaragua and Togo; (h) the 1998 notifications from Malawi; Nicaragua and Togo; (i) and the 1995 notifications from Malawi; Nicaragua and Togo. The Working Party also reviewed updating notifications from Kyrgyz Republic; Malawi; Nicaragua; and Togo. With the exception of the notifications of Indonesia, Korea, Malaysia and Mauritius, all were nil notifications.

6. At the October 2015 meeting, the Working Party reviewed previously reviewed notifications of Barbados, Canada, India and New Zealand on the basis of written questions from delegations. At both the June and October 2015 meetings, the Working Party reviewed a Counter-Notification, submitted by the United States, of the state trading enterprises of China pursuant to paragraph 4 of the Understanding on the Interpretation of Article XVII.<sup>2</sup> Furthermore, upon a joint request by the European Union and the United States, the Working Party discussed the issue of the Russian Federation's notification obligations and, at the request of the European Union, the Russian United Grain Company. Finally, the Working Party in June 2015 discussed a paper on Agricultural Exporting State Trading Enterprises from Canada<sup>3</sup> and considered a presentation by Australia on its experience in fulfilling its notification obligations in changing circumstances.

7. Finally, the Working Party adopted its Annual Report to the Council for Trade in Goods for the year 2015.

### **3 COMPLIANCE WITH THE NOTIFICATION OBLIGATION**

8. As of the end of the review period, 44 new and full notifications have been received for the 2014 notification period (G/STR/N/15).

9. The following Members have not submitted any notification for 2014: Angola; Antigua and Barbuda; Armenia; Bahrain, the Kingdom of; Bangladesh; Barbados; Belize; Benin; Bolivia, the Plurinational State of; Botswana; Brazil; Brunei Darussalam; Burundi; Cabo Verde; Cambodia; Cameroon; Central African Republic; Chad; Congo; Côte d'Ivoire; Cuba; Democratic Republic of the Congo; Djibouti; Dominica; Dominican Republic; El Salvador; Fiji; Gabon; The Gambia; Ghana; Grenada; Guatemala; Guinea; Guinea-Bissau; Guyana; Iceland; India; Israel; Jamaica; Jordan; Kenya; Lesotho; Madagascar; Maldives; Mauritania; Mexico; Mongolia; Morocco; Mozambique; Myanmar; Namibia; Nepal; Niger; Nigeria; Pakistan; Panama; Papua New Guinea; Paraguay; Philippines; Russian Federation; Rwanda; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Samoa; Saudi Arabia, the Kingdom of; Sierra Leone; Solomon Islands; Sri Lanka; Suriname; Swaziland; Tajikistan; Tanzania; Thailand; The former Yugoslav Republic of Macedonia; Tonga; Trinidad and Tobago; Tunisia; Turkey; Uganda; United Arab Emirates; Uruguay; Vanuatu; Venezuela, the Bolivarian Republic of; Viet Nam; Yemen; Zambia and Zimbabwe.

10. Information on the status of state trading notifications since 1995 is set out in document G/STR/12.

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<sup>2</sup> G/STR/Q1/CHN/2.

<sup>3</sup> G/STR/W/43.