

REPORT (2009) 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 (3 October 2008 to 16 October 2009, i.e. the period of time between the regular meetings of the Working Party), Mr. Haitao ZHU (China) assumed the Chairpersonship of the Working Party from Mrs. Virag DANI HALGAND (Hungary). Mr ZHU was appointed Chair by the Council for Trade in Goods at its meeting on 24 March 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). The notifications reviewed for the current period are listed below in paragraph 8. 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; Barbados; 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 have participated as observers.

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

5. Following the regular meeting held on 3 October 2008, the Working Party held one informal consultation and one regular meeting during the period under review. The informal consultation was held on 1 April 2009 and the regular meeting was held on 16 October 2009. The minutes of the regular meeting held on 16 October 2009 will be circulated in document G/STR/M/19.

6. The next regular meeting of the Working Party will be held on 22 October 2010.

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 were due every two years instead of every three years and the requirement of updating notifications in the intervening years was eliminated. On 3 October 2008 the Working Party recommended to the Council for Trade in Goods that the application of the recommendation contained in G/STR/5 be extended for a further period of two years. A recommendation to that effect was subsequently circulated as G/STR/6. Informal consultations will be held prior to 30 June 2010 to review the frequency of notifications and decide whether to extend the application of the recommendation in G/STR/6 either as presently drafted or in a modified form, for a further period.

8. In the period under review six updating notifications and 23 new and full notifications were received. The Working Party reviewed all of these notifications at its regular meeting on 16 October 2009: the 2008 new and full notifications from Colombia, Croatia, the European Communities, Honduras, Indonesia, Japan, Liechtenstein, Mozambique, New Zealand, Saudi Arabia, Suriname and Chinese Taipei; the 2006 new and full notifications from Croatia, Honduras, Indonesia, New Zealand and Suriname; the 2004 new and full notifications from Honduras, the Republic of Korea and Chinese Taipei; a 2001 new and full notification from the Republic of Korea; a 1998 new and full notification from Honduras; and the 1996, 1997, 1999, 2000, 2002 and 2003 updating notifications from Honduras.

9. At the regular meeting of the Working Party, Australia and Turkey posed written questions relating to Indonesia's new and full notifications contained in documents G/STR/N/11/IDN and G/STR/N/12/IDN, as well as the new and full notifications of Korea contained in documents G/STR/N/7/KOR and G/STR/N/10/KOR. Australia also directed written questions to Japan concerning its notification submitted in document G/STR/N/12/JPN. The United States asked questions to Indonesia, Japan, Korea and New Zealand in respect of their respective new and full notifications. Additionally, Australia circulated written questions requesting India and Norway to inform the Working Party of when they expected to submit outstanding notifications in order to allow Members to review their state trading enterprises (G/STR/Q1/IND/2 and G/STR/Q1/NOR/6).

10. The Working Party adopted its Annual Report to the Council for Trade in Goods for the year 2009.

III. COMPLIANCE WITH THE NOTIFICATION OBLIGATION

11. As of the date of 16 October 2009, 28 notifications (out of a possible 126 notifications) have been received for the 2008 notification period (G/STR/N/12) and 30 notifications (out of a possible

124 notifications) for the 2006 notification period (G/STR/11). More detailed information with respect to the status of notifications since 1995 is set out in the table found in the Annex to this report.

12. The Working Party held informal consultations on 1 April 2009 in response to the request from the Chairman of the General Council of 26 February 2009 to hold consultations with Members on ways to improve the timeliness and completeness of notification obligations and other information flows. Members were supportive of the discussion and engaged constructively in the informal consultations. Members agreed to building on current practices in the Working Party to seek to improve Members' performance in meeting the notification obligations. These steps included: preparation by the Secretariat of a table recording all notifications made to the Working Party since 1995 (to be updated on a regular basis, the most recent of which is attached as an Annex to this report); reminders to Members once the notification deadline has passed (in addition to reminders currently being sent prior to the deadline), including an offer of support from the Secretariat to provide assistance in completing the notifications and reminding that a nil notification should also be submitted; circulating a list of Members that have submitted notifications in the calendar year; offering technical assistance around the time of the regular meeting of the Working Party to coincide with possible Capital-based attendance (in addition to assistance being available from the Secretariat at any time); and reminding delegations on a regular basis to submit questions on notifications well before the regular meeting.

**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 18 September 2009²

Member	New and Full Notification (1995) G/STR/N/1	Updating Notification (1996) G/STR/N/2	Updating Notification (1997) G/STR/N/3	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	New and Full Notification (2008) G/STR/N/12
Albania (ALB)	*	*	*	*	*	A				N	N	N
Angola (AGO)	*	A										
Antigua and Barbuda (ATG)	A											
Argentina (ARG)	A N		N	N	N	N	N	N	N	N	N	N
Armenia (ARM)	*	*	*	*	*	*	*	*	A	N	N	N
Australia (AUS)	A X	X	X	X	X	X	X	X	X	X	X	X
Bahrain (BHR)	A			X	X	X						
Bangladesh (BGD)	A											
Barbados (BRB)	A X											
Belize (BLZ)	A											
Benin (BEN)	*	A										
Bolivarian Republic of Venezuela (VEN)	A X	X	X	X	X	X	X					
Bolivia (BOL)	A				N	N	N					
Botswana (BWA)	A N											
Brazil (BRA)	A X		X									

² "X" indicates that a notification has been made.

"N" indicates that a nil notification has been made.

"*" indicates that the country/customs territory was not yet a Member of the WTO.

"A" indicates the year in which the WTO Agreement entered into force for that Member.

"§" 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.

Member	New and Full Notification (1995) G/STR/N/1	Updating Notification (1996) G/STR/N/2	Updating Notification (1997) G/STR/N/3	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	New and Full Notification (2008) G/STR/N/12
Brunei Darussalam (BRN)	A											
Bulgaria (BGR) ³ §	N	A					N	N		N		
Burkina Faso (BFA)	A											
Burundi (BDI)	A						N					
Cambodia (KHM)	*	*	*	*	*	*	*	*	*	A		
Cameroon (CMR)	A											
Canada (CAN)	A X	X	X	X	X	X	X	X	X	X	X	
Cape Verde (CPV)	*	*	*	*	*	*	*	*	*	*	*	A
Central African Republic (CAF)	A											
Chad (TCD)	*	A		N	N	N	N					
Chile (CHL)	A X	X	X	X	X	X	X	X	X	X	X	X
China (CHN)	*	*	*	*	*	*	A X	X	X			
Colombia (COL)	A X	X		X			X	X	X	X	X	X
Costa Rica (CRI)	A X	X	X	X	X	X	X	X				
Côte d'Ivoire (CIV)	A X											
Croatia (HRV)	*	*	*	*	*	A		N	N	N	N	N
Cuba (CUB)	A											
Cyprus (CYP) ⁴ §	A X						N	N	N			
Czech Republic (CZE) ⁴ §	A X	N	N	N	N	N	N	N	N	N		
Democratic Republic of the Congo (COD)	*	*	A									
Djibouti (DJI)	A											
Dominica (DMA)	A			X	X	X						

³ This Member became a European Communities' member State on 1 January 2007.

⁴ This Member became a European Communities' member State on 1 May 2004.

Member	New and Full Notification (1995) G/STR/N/1	Updating Notification (1996) G/STR/N/2	Updating Notification (1997) G/STR/N/3	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	New and Full Notification (2008) G/STR/N/12
Dominican Republic (DOM)	A											
Ecuador (ECU)	*	A										
Egypt (EGY)	A			N								
El Salvador (SLV)	A N			N	N	N						
Estonia (EST) ⁴ §	*	*	*	*	A		N	N	N			
European Communities (EEC)	A X	X	X	X	X	X	X	N	N	N	N	N
Fiji (FJI)	*	A		X								
Former Yugoslav Republic of Macedonia (MKD)	*	*	*	*	*	*	*	*	A	N		
Gabon (GAB)	A											
Gambia (GMB)	N	A										
Georgia (GEO)	*	*	*	*	*	A	N	N				
Ghana (GHA)	A						N			N		
Grenada (GRD)	*	A										
Guatemala (GTM)	A N	N	N	N	N	N	N	N				
Guinea, Republic of (GIN)	A N						N	N	N			
Guinea Bissau (GNB)	A											
Guyana (GUY)	A											
Haiti (HTI)	N	A N	N	N	N	N						
Honduras (HND)	A N	N	N	N	N	N	N	N	N	N	N	N
Hong Kong, China (HKG)	A N	N	N	N	N	N	N	N	N	N	N	N
Hungary (HUN) ⁴ §	A N	N	N	N	N	N	N	N	N			
Iceland (ISL)	A X			X	X							
India (IND)	A X						X					

Member	New and Full Notification (1995) G/STR/N/1	Updating Notification (1996) G/STR/N/2	Updating Notification (1997) G/STR/N/3	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	New and Full Notification (2008) G/STR/N/12
Indonesia (IDN)	A X	X		N			X	X		X	X	X
Israel (ISR)	A X											
Jamaica (JAM)	A X		X				N					
Japan (JPN)	A X	X	X	X			X			X	X	X
Jordan (JOR)	*	*	*	X	X	A X	X	X	X			
Kenya (KEN)	A										N	
Korea, Republic of (KOR)	A X	X		X			X			X		
Kuwait (KWT)	A											
Kyrgyz Republic (KGZ)	*	*	*	A								
Latvia (LVA) ^{4§}	*	*	*	X	A X	N	N	N	N	N		
Lesotho (LSO)	A											
Liechtenstein (LIE)	A X	X	X	X	X	X	X	X	X	X		X
Lithuania (LTU) ^{4§}	*	*	*	*	*	*	A X					
Macao, China (MAC)	A N	N	N	N	N	N	N	N	N	N	N	N
Madagascar (MDG)	A											
Malawi (MWI)	A											
Malaysia (MYS)	A X											
Maldives (MDV)	A											
Mali (MLI)	A											
Malta (MLT) ^{4§}	A X			X	X	X	X	X				
Mauritania (MRT)	A											
Mauritius (MUS)	A X	X	X					X				
Mexico (MEX)	A N	N	N	N	N	N						
Moldova (MDA)	*	*	*	*	*	*	A N	N	N	N	N	
Mongolia (MNG)	*	*	A	N	N	N	N					
Morocco (MAR)	A X											

Member	New and Full Notification (1995) G/STR/N/1	Updating Notification (1996) G/STR/N/2	Updating Notification (1997) G/STR/N/3	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	New and Full Notification (2008) G/STR/N/12
Mozambique (MOZ)	A											N
Myanmar (MYN)	A											
Namibia (NAM)	A X			X	X	X						
Nepal (NPL)	*	*	*	*	*	*	*	*	*	A		
New Zealand (NZL)	A X	X	X	X	X	X	X			X	X	X
Nicaragua (NIC)	A											
Niger (NER)	*	A										
Nigeria (NGA)	A N	N	N	N	N	N	N	N				N
Norway (NOR)	A X	X	X	X	X	X	X					
Oman (OMN)	*	*	*	*	*	A	X		X			
Pakistan (PAK)	A N		N	N	N	N	N	N	N			
Panama (PAN)	*	*	A	N	N	N	N	N	N	N		
Papua New Guinea (PNG)	*	A										
Paraguay (PRY)	A			X								
Peru (PER)	A X	X	X	N	N	N	N	N	N	N		
Philippines (PHL)	A X	X		X	X	X	X					
Poland (POL) ⁴ §	A X			N	N	N	N	N	N			
Qatar (QAT)	N	A			N					N	N	
Romania (ROU) ³ §	A N	N	N	N	N	N	N	N	N	N	N	
Rwanda (RWA)	*	A										
Saint Kitts & Nevis (KNA)	*	A										
Saint Lucia (LCA)	A											
Saint Vincent & Grenadines (VCT)	A			X	X	X						

Member	New and Full Notification (1995) G/STR/N/1	Updating Notification (1996) G/STR/N/2	Updating Notification (1997) G/STR/N/3	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	New and Full Notification (2008) G/STR/N/12
Saudi Arabia (SAU) ⁵	*	*	*	*	*	*	*	*	*	*	N	N
Senegal (SEN)	A											
Sierra Leone (SLE)	A											
Singapore (SGP)	A N	N	N	N	N	N			N	N	N	N
Slovak Republic (SVK) ^{4§}	A X	X	X	X	X	N	N	N	N			
Slovenia (SVN) ^{4§}	A X	X	X	X	X	N	N	N	N			
Solomon Islands (SLB)	*	A										
South Africa (ZAF)	A X	X	X	N	N	N	N	N				
Sri Lanka (LKA)	A											
Suriname (SUR)	A									N	N	N
Swaziland (SWZ)	A											
Switzerland (CHE)	A X	X	X	X	X	X	X	X	X	X	X	X
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (TPKM)	*	*	*	*	*	*	*	A X	X	X	X	X
Tanzania (TZA)	A											
Thailand (THA)	A X	X	X				X	X	X	X	X	X
Togo (TGO)	A											
Tonga (TON) ⁶	*	*	*	*	*	*	*	*	*	*	*	
Trinidad & Tobago (TTO)	A			X						X	X	
Tunisia (TUN)	A X		X	X	X	X	X	X	X	X		
Turkey (TUR)	A X		X	X	X	X	X	X			X	X
Uganda (UGA)	A			N	N	N				N		

⁵ Saudi Arabia became a Member of the WTO on 11 December 2005.

⁶ Tonga became a Member of the WTO on 27 July 2007.

Member	New and Full Notification (1995) G/STR/N/1	Updating Notification (1996) G/STR/N/2	Updating Notification (1997) G/STR/N/3	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	New and Full Notification (2008) G/STR/N/12
Ukraine (UKR)	*	*	*	*	*	*	*	*	*	*	*	A X
United Arab Emirates (ARE)	N	A										
United States (USA)	A X	X	X	X	X	X	X	X	X	X	X	X
Uruguay (URY)	A X		X									
Viet Nam (VNM) ⁷	*	*	*	*	*	*	*	*	*	*	*	
Zambia (ZMB)	A N			N	N		N	N	N	N	N	
Zimbabwe (ZWE)	A										N	N
Number of Notifying Members/Total Number of Members⁸	59/97	33/113	36/116	54/118	48/120	45/125	55/128	43/129	35/131	37/123	30/124	28/126

⁷ Viet Nam became a Member of the WTO on 11 January 2007.

⁸ The numerator and denominator used for the years 1995-2003 reflect the fact that, for each notification obligation, the European Communities submitted a single notification that covered all of 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 1995-2003. The numerator and the denominator used for the years 2004 and 2006 count the European Communities and its then 25 member States as one; while the numerator and the denominator used for the year 2008 count the European Communities and its 27 member States as one. The total number of Members of the World Trade Organization is currently 153.