

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. Virag 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	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
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