



10 November 2016

(16-6167)

Page: 1/2

**REPORT (2016) 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 13 October 2015 through 25 October 2016. During this period, the Working Party held two formal meetings under the Chairmanship of Ms Yeili Rangel Peñaranda (Colombia), on 9 June and 21 October 2016. The minutes of the former have been circulated as document G/STR/M/29, while minutes of the latter will be circulated as G/STR/M/30.

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 notification on an indefinite basis.

5. During the period under review, the Working Party reviewed new and full notifications from the following Members: Afghanistan; Argentina; Australia; Barbados; Brazil; Canada; China; Costa Rica; Egypt; El Salvador; European Union; Hong Kong, China; Jamaica, Japan; Kazakhstan; Korea; Liechtenstein; Macao, China; Mauritius; Morocco; Montenegro; New Zealand; Norway; Seychelles; Singapore; Chinese Taipei; South Africa; Switzerland; Tunisia; Ukraine; United States; and Viet Nam. It also returned to the previously reviewed notifications of Canada; China; India; Indonesia; Malaysia; New Zealand; and Viet Nam.

6. During one or both of the Working Party's meetings during the period under review, the Working Party also took up the following agenda items: (i) agricultural exporting state trading enterprises (item requested by Canada); (ii) STE notification obligations of the Russian Federation (item requested by the European Union and the United States); (iii) Russian Federation – Russian United Grain Company (item requested by the European Union and the United States);

(iv) European Union – Alko Inc. (Finland) (item requested by the Russian Federation); (v) non-notification and overdue notifications (item requested by Australia, the European Union and the United States; (vi) non-notification of state trading enterprises by the United Arab Emirates (item requested by the United States); and (vii) transparency in the Working Party (item requested by the United States).

7. Finally, the Working Party adopted its Annual Report to the Council for Trade in Goods for the year 2016.

3 COMPLIANCE WITH THE NOTIFICATION OBLIGATION

8. As of the end of the review period, 33 new and full notifications have been received for the 2016 notification period (G/STR/N/16).

9. The following Members have not submitted any notification for 2016: Albania, Angola; Antigua and Barbuda; Argentina; Armenia; Bahrain, the Kingdom of; Bangladesh; Barbados; Belize; Benin; Bolivia, the Plurinational State of; Botswana; Brunei Darussalam; Burkina Faso; Burundi; Cabo Verde; Cambodia; Cameroon; Central African Republic; Chad; China; Colombia; Congo; Côte d'Ivoire; Cuba; Democratic Republic of the Congo; Djibouti; Dominica; Dominican Republic; Ecuador; Fiji; Gabon; The Gambia; Georgia; Ghana; Grenada; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti; Honduras; Iceland; India; Israel; Jordan; Kenya; Kuwait, the State of; Kyrgyz Republic; Lao Peoples' Democratic Republic; Lesotho; Madagascar; Malawi; Maldives; Mali; Mauritania; Mexico; Moldova, Republic of; Mongolia; Mozambique; Myanmar; Namibia; Nepal; Nicaragua; Niger; Nigeria; Oman; Pakistan; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Qatar; Russian Federation; Rwanda; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Samoa; Saudi Arabia, the Kingdom of; Senegal; Sierra Leone; Solomon Islands; Sri Lanka; Suriname; Swaziland; Tajikistan; Tanzania; Thailand; The former Yugoslav Republic of Macedonia; Togo; Tonga; Trinidad and Tobago; Uganda; United Arab Emirates; Uruguay; Vanuatu; Venezuela, the Bolivarian Republic of; Yemen; Zambia and Zimbabwe.

10. Information on the status of state trading notifications since 1995 is set out in document G/STR/14.
