

WORLD TRADE ORGANIZATION

G/L/335
21 October 1999

(99-4564)

REPORT (1999) OF THE WORKING PARTY ON STATE TRADING ENTERPRISES¹

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 (25 November 1998-20 October 1999), Mr. Jacques Teyssier d'Orfeuil (France), then Mr. Bernard Kuiten (Netherlands) and, finally, Mr. Breffini Carpenter (Ireland) served as Chairman of the Working Party.

2. The mandate of the Working Party, as set out in paragraph 5 of the Understanding, is: (1) to review notifications and counter-notifications on state trading; (2) 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 (3) 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 GATT 1994.

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; Colombia; Costa Rica; Cuba; Cyprus; Czech Republic; Egypt; El Salvador; European Communities; Guatemala; Hong Kong, China; Honduras; Hungary; Iceland; India; Indonesia; Israel; Japan; Korea; Latvia; Malaysia; Malta; Mauritius; Mexico; Morocco; New Zealand; Norway; Pakistan; Paraguay; Peru; Philippines; Poland; Romania; Singapore; Slovak Republic; South Africa; Switzerland; Thailand; Trinidad & Tobago; Turkey; United States; Uruguay; Venezuela; and Zambia. China, P.R.; Chinese Taipei; Ethiopia; Jordan; Russian Federation; Saudi Arabia; Sudan; and Vietnam participated as observers.

5. The Working Party held five formal meetings during the period under review: on 18 December 1998, on 22 February 1999, on 26 May 1999, on 27 July 1999 and on 20 October 1999. The Minutes of these meetings are contained in documents G/STR/M/12-16. In addition, one informal meeting was convened with the objective of advancing work on the text of the draft illustrative list.

¹ Please note that, as agreed by the Council for Trade in Goods at its meeting of 15 October 1999, this report is being directly forwarded to the General Council following adoption by the Working Party on State Trading Enterprises at its meeting of 20 October 1999.

II. NOTIFICATION AND REVIEW OF MEMBERS' STATE TRADING ACTIVITIES

6. Under Article XVII of GATT 1994 and paragraph 1 of the Understanding, all Members of the WTO are required to submit annual notifications of their state trading activities. New and full notifications were first required in 1995 and, subsequently, every third year thereafter, while updating notifications are to be made in the intervening years, indicating any changes since the new and full notification. At three of the five formal meetings held during the period under review, the Chairman made a statement concerning the need for timely compliance with notification requirements.

7. New and full notifications for 1995 have been received from 58 Members. Updating notifications for 1996 have been received from 30 Members, and for 1997 from 31 Members. New and full notifications for 1998 have been received from 26 Members. Updating notifications for 1999 have been received from 15 Members. (See Annex to this Report.)²

8. At its meeting of 22 February 1999, the Working Party reviewed 18 notifications: 1996/1997 updating notifications of Costa Rica; Mexico; Romania; Slovenia; and Venezuela; and 1998 new and full notifications of Colombia; Egypt; Hong Kong, China; Hungary; Iceland; Indonesia; Korea; Malta; Mexico; Norway; Paraguay; Trinidad and Tobago; and Turkey.

9. At its meeting of 26 May 1999, the Working Party reviewed 8 notifications: 1998 new and full notifications of Costa Rica; European Communities; Fiji; Japan; New Zealand; and Venezuela; and 1999 updating notifications of Hong Kong, China; and Malta.

10. At its meeting of 20 October 1999, the Working Party reviewed 12 notifications: 1996 updating notification of Macau; and 1998/1999 notifications of Bolivia; Iceland; Latvia; Macau; Namibia; New Zealand; Norway; Qatar; Slovak Republic; Slovenia; and Zambia. At that meeting, the Working Party also adopted its Annual Report to the Council for Trade in Goods for the year 1999.

III. DEVELOPMENT OF ILLUSTRATIVE LIST OF STATE TRADING RELATIONSHIPS AND ACTIVITIES

11. Regarding the third of the Working Party's specific mandates, the draft Illustrative List of State Trading Relationships and Activities was considered at the Working Party's meetings of December 1998 and February and May 1999 and was approved at the Working Party's meeting of July 1999. The Illustrative List (G/STR/4) was adopted by the Council for Trade in Goods at its meeting of 15 October 1999.

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

ANNEX

**NOTIFICATIONS SUBMITTED BY WTO MEMBERS UNDER
ARTICLE XVII:4(A) OF GATT 1994 AND PARAGRAPH 1 OF THE
UNDERSTANDING ON THE INTERPRETATION OF ARTICLE XVII**

Status as of 20 October 1999³

| Member | New and Full Notification (1995) | Updating Notification (1996) | Updating Notification (1997) | New and Full Notification (1998) | Updating Notification (1999) |
|--------------------------|----------------------------------|------------------------------|------------------------------|----------------------------------|------------------------------|
| Angola | | | | | |
| Antigua and Barbuda | | | | | |
| Argentina | X | | X | | |
| Australia | X | X | X | | |
| Bahrain | | | | | |
| Bangladesh | | | | | |
| Barbados | X | | | | |
| Belize | | | | | |
| Benin | | | | | |
| Bolivia | | | | | X |
| Botswana | X | | | | |
| Brazil | X | | X | | |
| Brunei Darussalam | | | | | |
| Bulgaria | X | | | | |
| Burkina Faso | | | | | |
| Burundi | | | | | |
| Cameroon | | | | | |
| Canada | X | X | X | | |
| Central African Republic | | | | | |
| Chad | | | | | |
| Chile | X | X | X | X | X |
| Colombia | X | X | | X | |
| Congo | | | | | |
| Costa Rica | X | X | X | X | |
| Côte d'Ivoire | X | | | | |
| Cuba | | | | | |
| Cyprus | X | | | | |
| Czech Republic | X | | | | |
| Democratic Republic of | | | | | |

³An "x" indicates that a notification has been made.

| Member | New and Full Notification (1995) | Updating Notification (1996) | Updating Notification (1997) | New and Full Notification (1998) | Updating Notification (1999) |
|----------------------|----------------------------------|------------------------------|------------------------------|----------------------------------|------------------------------|
| the Congo | | | | | |
| Djibouti | | | | | |
| Dominica | | | | | |
| Dominican Republic | | | | | |
| Ecuador | | | | | |
| Egypt | | | | X | |
| El Salvador | X | | | | |
| European Communities | X | X | | X | |
| Fiji | | | | X | |
| Gabon | | | | | |
| Gambia | X | | | | |
| Ghana | | | | | |
| Grenada | | | | | |
| Guatemala | | | | | |
| Guinea Bissau | | | | | |
| Guinea, Rep. of | X | | | | |
| Guyana | | | | | |
| Haiti | X | X | X | | |
| Honduras | X | | | | |
| Hong Kong, China | X | X | X | X | X |
| Hungary | X | X | X | X | X |
| Iceland | X | | | X | X |
| India | X | | | | |
| Indonesia | X | X | | X | |
| Israel | X | | | | |
| Jamaica | X | | X | | |
| Japan | X | X | X | X | |
| Kenya | | | | | |
| Korea, Rep. of | X | X | | X | |
| Kuwait | | | | | |
| Kyrgyz Republic | | | | | |
| Latvia | | | | X | X |
| Lesotho | | | | | |
| Liechtenstein | X | X | X | | |
| Macau | X | X | X | X | X |
| Madagascar | | | | | |
| Malawi | | | | | |

| Member | New and Full Notification (1995) | Updating Notification (1996) | Updating Notification (1997) | New and Full Notification (1998) | Updating Notification (1999) |
|----------------------------|----------------------------------|------------------------------|------------------------------|----------------------------------|------------------------------|
| Malaysia | X | | | | |
| Maldives | | | | | |
| Mali | | | | | |
| Malta | X | | | X | X |
| Mauritania | | | | | |
| Mauritius | X | X | X | | |
| Mexico | X | X | X | | |
| Mongolia | | | | X | |
| Morocco | X | | | | |
| Mozambique | | | | | |
| Myanmar | | | | | |
| Namibia | X | | | X | X |
| New Zealand | X | X | X | X | X |
| Nicaragua | | | | | |
| Niger | | | | | |
| Nigeria | X | X | X | | |
| Norway | X | X | X | X | X |
| Pakistan | X | | X | | |
| Panama | | | | | |
| Papua New Guinea | | | | | |
| Paraguay | | | | X | |
| Peru | X | X | X | | |
| Philippines | X | X | | | |
| Poland | X | | | | |
| Qatar | X | | | | X |
| Romania | X | X | X | | |
| Rwanda | | | | | |
| Saint Kitts & Nevis | | | | | |
| Saint Lucia | | | | | |
| Saint Vincent & Grenadines | | | | | |
| Senegal | | | | | |
| Sierra Leone | | | | | |
| Singapore | X | X | X | | |
| Slovak Republic | X | X | X | X | X |
| Slovenia | X | X | X | X | X |
| Solomon Islands | | | | | |
| South Africa | X | X | X | | |

| Member | New and Full Notification (1995) | Updating Notification (1996) | Updating Notification (1997) | New and Full Notification (1998) | Updating Notification (1999) |
|----------------------|----------------------------------|------------------------------|------------------------------|----------------------------------|------------------------------|
| Sri Lanka | | | | | |
| Suriname | | | | | |
| Swaziland | | | | | |
| Switzerland | X | X | X | | |
| Tanzania | | | | | |
| Thailand | X | X | X | | |
| Togo | | | | | |
| Trinidad & Tobago | | | | X | |
| Tunisia | X | | | | |
| Turkey | X | | X | X | |
| Uganda | | | | | |
| United Arab Emirates | X | | | | |
| United States | X | X | X | | |
| Uruguay | X | | X | | |
| Venezuela | X | X | X | X | |
| Zambia | X | | | X | X |
| Zimbabwe | | | | | |
| Total* | 58/119 | 30/119 | 31/119 | 26/119 | 15/119 |

* The denominator used here (119) reflects the fact that, for each notification obligation, the European Communities submits a single notification that covers all 15 Member States. The total membership of the WTO (134) includes the European Communities plus the 15 individual Member States.
