

## REPORT (2012) 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 (27 October 2011 to 30 October 2012), the Working Party was presided by two Chairpersons. Mr Ngoni Francis SENGWE (Zimbabwe) chaired the Working Party from 17 April 2012 to 7 June 2012, and Mr Paul BATIBONAK (Cameroon) assumed the Chairpersonship as of 8 June 2012.

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).

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. Following the regular meeting held on 27 October 2011, the Working Party held two informal and two formal meetings during the period under review. The informal meetings were held on 6 June 2012 and 11 October 2012, and the formal meetings were held on 8 June 2012 and 30 October 2012. The minutes of the formal meeting held on 8 June 2012 were circulated as document G/STR/M/23. The minutes of the formal meeting held on 30 October 2012, which was the regular meeting of the Working Party for 2012, will be circulated as document G/STR/M/24.

5. The next regular meeting of the Working Party is scheduled for October 2013.

### II. NOTIFICATION AND REVIEW OF MEMBERS' STATE TRADING ACTIVITIES

6. Article XVII:4 of the 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. On 11 November 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 of notifications was to be implemented for a trial phase of four years,

commencing on 30 June 2004. On 3 October 2008 and 16 June 2010, the Working Party respectively adopted the recommendations contained in documents G/STR/6 and G/STR7, each time concluding that it would be desirable to extend the new frequency of notifications for two additional years.

7. Paragraph 6 of the recommendation in document G/STR/7 directed the Working Party to review the situation with regard to compliance with the notification obligation and the frequency of notifications at the end of the two year extension period. Informal bilateral and small-group consultations were held by the Chair throughout 2012 to determine whether to further extend the current frequency of notifications. At its informal meeting on 6 June 2012, the Working Party conducted a review of the current situation relating to the frequency of notification. At its formal meeting 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.

8. In the period under review, 59 new and full notifications and 12 updating notifications were received. The Working Party reviewed all of these notifications at its regular meeting on 30 October 2012. The new and full notifications reviewed were as follows: (a) the 2012 notifications from Argentina; Australia; Canada; Chile; Colombia; Croatia; El Salvador; the European Union; Georgia; Guatemala; Honduras; Hong Kong, China; Japan; the Republic of Korea; the State of Kuwait; Macao, China; New Zealand; Nigeria; Norway; Panama; Switzerland; Chinese Taipei; Turkey; Ukraine; United States; Uruguay; and Zambia; (b) the 2010 notifications from Argentina; Croatia; the European Union; Georgia; Guatemala; India; the State of Kuwait; Liechtenstein; Pakistan; Panama; and Zambia; (c) the 2008 notifications from Georgia; Guatemala; India; the State of Kuwait; Pakistan; Panama; and Zambia; (d) the 2006 notifications from Georgia; Guatemala; the State of Kuwait; Nigeria; Pakistan; and Panama; (e) the 2004 notifications from Georgia; Guatemala; the State of Kuwait; Nigeria; and Pakistan; and (f) the 2001, 1998 and 1995 notifications from the State of Kuwait. The updating notifications reviewed were as follows: (a) the 2003 notifications from Georgia; Guatemala; the State of Kuwait; and Nigeria; (b) the 2002 and 1999 notifications from the State of Kuwait; and (c) the 2000, 1997 and 1996 notifications from the State of Kuwait; and Zambia.

9. At the regular meeting of the Working Party, Australia posed written questions relating to Japan's new and full notification submitted in document G/STR/N/14/JPN<sup>1</sup>.

10. The Working Party adopted its Annual Report to the Council for Trade in Goods for the year 2012.

### **III. COMPLIANCE WITH THE NOTIFICATION OBLIGATION**

11. As of 30 October 2012, 27 new and full notifications have been received for the 2012 notification period (G/STR/N/14), as listed in paragraph 8 above. The following Members have not submitted any notification for the current period: Albania, Angola, Antigua and Barbuda, Armenia, the Kingdom of Bahrain, Bangladesh, Barbados, Belize, Benin, the Plurinational State of Bolivia, Botswana, Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, China, Congo, Costa Rica, Côte d'Ivoire, Cuba, the Democratic Republic of the Congo, Djibouti, Dominica, the Dominican Republic, Ecuador, Egypt, Fiji, Gabon, The Gambia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Iceland, India, Indonesia, Israel, Jamaica, Jordan, Kenya, the Kyrgyz Republic, Lesotho, Liechtenstein, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, the Republic of Moldova, Mongolia, Morocco, Mozambique Myanmar, Namibia, Nepal, Nicaragua, Niger, Oman, Pakistan, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, the Kingdom of Saudi Arabia, Senegal, Sierra Leone, Singapore, Solomon Islands, South Africa, Sri Lanka, Suriname, Swaziland, Tanzania, Thailand, the former Yugoslav

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<sup>1</sup> G/STR/Q1/JPN/19.

Republic of Macedonia, Togo, Tonga, Trinidad and Tobago, Tunisia, Uganda, United Arab Emirates, the Bolivarian Republic of Venezuela, Viet Nam, and Zimbabwe.

12. Information on the status of state trading notifications since 1995 is set out in document G/STR/9.

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