

WORLD TRADE ORGANIZATION

G/STR/N/10/Rev.1
24 February 2004

(04-0790)

Working Party on State Trading Enterprises

STATE TRADING

Notifications Pursuant to Article XVII:4(a) of the GATT 1994 and Paragraph 1 of the Understanding on the Interpretation of Article XVII

Revision

1. Pursuant to Article XVII:4(a) of the GATT 1994 and Paragraph 1 of the Understanding on the Interpretation of Article XVII, Members shall notify their state trading enterprises to the Council for Trade in Goods in accordance with the following working definition of such enterprises:

"Governmental and non-governmental enterprises, including marketing boards, which have been granted exclusive or special rights or privileges, including statutory or constitutional powers, in the exercise of which they influence through their purchases or sales the level or direction of imports or exports."

2. In accordance with the recommendation adopted by the Working Party on 11 November 2003¹ Members are required to submit new and full notifications on state trading every second year. Members are therefore invited to submit for 2004 new and full responses to the questionnaire on state trading (G/STR/3/Rev.1) reproduced in the Annex to this document.

3. The deadline for submission of the 2004 new and full notifications is **30 June 2004**.

4. Responses to the above request will be issued, as received, in the G/STR/N/10 series under the respective country codes.

¹ The Council for Trade in Goods approved this recommendation on 26 November 2003, and agreed to implement it as of the year 2004.

QUESTIONNAIRE² ON STATE TRADING

Name of Member

Revision

I. ENUMERATION OF STATE TRADING ENTERPRISES

- A. *Identification of state trading enterprises.*
- B. *Description of products affected (including tariff item number(s) encompassed in product description).*

II. REASON AND PURPOSE

- A. *Reason or purpose for establishing and/or maintaining state trading enterprise.*
- B. *Summary of legal basis for granting the relevant exclusive or special rights or privileges, including legal provisions and summary of statutory or constitutional powers.*

III. DESCRIPTION OF THE FUNCTIONING OF THE STATE TRADING ENTERPRISE

- A. *Summary statement providing overview of operations of the state trading enterprise.*
- B. *Specification of exclusive or special rights or privileges enjoyed by the state trading enterprise.*
- C. *Type of entities other than the state trading enterprise that are allowed to engage in importation/exportation and conditions for participation.*
- D. *How import/export levels are established by the state trading enterprise.*
- E. *How export prices are determined.*
- F. *How the resale prices of imported products are determined.*
- G. *Whether long-term contracts are negotiated by the state trading enterprise. Whether the state trading enterprise is used to fulfil contractual obligations entered into by the government.*
- H. *Brief description of market structure.*

IV. STATISTICAL INFORMATION (SEE ATTACHED TABLES I - III)

V. REASON WHY NO FOREIGN TRADE HAS TAKEN PLACE (AS APPROPRIATE)

VI. ADDITIONAL INFORMATION (AS APPROPRIATE)

² This questionnaire is to be filled out according to the Guidelines contained on pages 5-7.

TABLE I

STATE TRADING: NAME OF STATE TRADING ENTERPRISE

STATISTICAL INFORMATION, IMPORTS

Description of product(s) (including HS number(s))	Total quantity imported ¹	Quantity imported by state trading enterprise ¹	Average import price	Average representative domestic sales price	Mark-up ²	National production
1	2	3	4	5	6	7

¹ In cases where no imports have taken place under columns 2 or 3, provide an explanation under Section V of this questionnaire.

² Members may report either under columns 4 and 5 or under column 6.

TABLE II

STATE TRADING: NAME OF STATE TRADING ENTERPRISE

STATISTICAL INFORMATION, EXPORTS

Description of product(s) (including HS number(s))	Total quantity exported ¹	Quantity exported by state trading enterprise ¹	Average procurement price ²	Average representative domestic sales price	Average export price	National production
1	2	3	4	5	6	7

¹In cases where no exports have taken place under columns 2 or 3, provide an explanation under Section V of this questionnaire.

²In cases where the initial procurement price is augmented by other payments, additional payments should also be reported.

TABLE III

STATE TRADING: NAME OF STATE TRADING ENTERPRISE

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES

Description of product(s) (including HS number(s))	Domestic purchases by state trading enterprise	National production	Domestic sales by state trading enterprise	National consumption
1	2	3	4	5

GUIDELINES FOR COMPLETING THE QUESTIONNAIRE

The following information should be provided separately for each state trading enterprise notified.

SECTION I - to be submitted in full every two years.

Objective: Identify state trading enterprises at national and sub-national levels and the scope of products covered.

- A. Identification of state trading enterprise: Name of the entity granted exclusive or special rights or privileges.⁷
- B. Description of product(s): Products for which each identified state trading enterprise has exclusive or special rights or privileges. Include HS tariff number(s), at appropriate level of specificity, corresponding to the products under the authority of the state trading enterprise concerned.

SECTION II - to be submitted in full every two years.

Objective: State reason or purpose for establishing and/or maintaining the state trading enterprise. Identify and summarize legal provisions.

- A. Reason or purpose: Explanation of reason for granting exclusive or special rights or privileges to the state trading enterprise.
- B. Legal authority: Identify and briefly summarize authority which grants exclusive or special rights or privileges. Cite constitutional, legislative, and/or regulatory provisions, if any.

SECTION III - to be submitted in full every two years.

Objective: Describe functioning of the state trading enterprise.

- A. Summary overview of operations of the state trading enterprise. Include, where possible, references to the illustrative list of activities of state trading enterprises.
- B. Specify all exclusive or special rights or privileges granted to the STE as well as any other support or assistance provided by the government. Comment should include, but not necessarily be restricted to, descriptions of the following: (i) monopoly importer; (ii) single desk seller; (iii) statutory power to control imports or exports even if not exercised; (iv) responsibility for issuing import/export licences; (v) responsibility for administering tariff rate quotas; (vi) recipient of special financing (including commercial or concessional credit or credit guarantees); (vii) recipient of tax advantages; (viii) recipient of subsidies; (ix) recipient of off-budget support or other support provided by the government or its instrumentalities; (x) preferential access to foreign exchange.

The descriptions should include, where possible, references to the illustrative list of relationships between governments and state trading enterprises.

- C. Indication of other types of entities that participate in the same activities as the state trading enterprise, such as private traders that import/export commodities also imported/exported by the

⁷A "state trading enterprise" is defined according to Article XVII of GATT 1994 and the Interpretative Notes thereto, and the Understanding on the Interpretation of Article XVII of GATT 1994.

state trading enterprise. Description of conditions under which they are allowed to engage in activities in competition with state trading enterprises - e.g., (i) equal terms for all trade, (ii) equal terms for specified quantity, (iii) participation subject to special restrictions/guidelines.

- D. Specify criteria/considerations taken into account by the state trading enterprise in determining the quantity of imports or exports it will undertake - e.g., (i) minimum purchase commitments, (ii) tariff rate quota administration procedures, (iii) domestic supply/price situation, (iv) international price situation, (v) export performance requirements, (vi) export restrictions, (vii) commercial considerations (e.g., marginal price relative to marginal cost, market demand). Include a description of any direct or indirect government involvement in the determination.
- E. How the state trading enterprise determines its export price - e.g., (i) in relation to prices in other markets, (ii) through tendering. Include information on the use of revenue generated.
- F. When the state trading enterprise imports, how it determines the price at which it sells products to domestic wholesalers, retailers, or end-users. Include information on service fees and mark-ups, as well as on use of revenue generated.
- G. Whether and how long-term contracts are negotiated by the state trading enterprise. Include information on any long-term contracts negotiated during the reporting period. Whether and how the state trading enterprise is used to fulfil contractual obligations entered into by the government.
- H. Brief description of market structure - e.g., domestic market structure, nature of competition, relation to international market, type of import protection, etc.

SECTION IV - to be submitted every two years on a calendar, fiscal or marketing year basis. Tables should cover the most recent three years for which data is available. Price data required for standardized products only. Where price data expressed in other than US\$, indicate applicable exchange rate.

Table I - Objective: Provide import information, by product.

- 1. Description of product(s): Product description (e.g. wheat/flour) including HS number.
- 2. Total imports: Total quantity of imports of the product.
- 3. Quantity imported by state trading enterprise: Quantity of imports of the product by state trading enterprise.
- 4. Average import price: Total cost of imports by the state trading enterprise (c.i.f. basis) divided by the total quantity imported by the state trading enterprise.
- 5. Average representative domestic sales price: Average domestic wholesale market price during the year in question.
- 6. Mark-up: Average difference between the import price and resale price. Members may choose to report the average mark-up instead of the average import price and the average representative domestic price under columns 4 and 5.
- 7. National Production: Quantity of national production at the appropriate level of specificity.

Table II - Objective: Provide export information, by product.

1. Description of product(s): Product description (e.g, wheat/flour) including HS number.
2. Total quantity exported: Total quantity of exports of the product.
3. Quantity exported by state trading enterprise: Quantity of exports of the product by the state trading enterprise.
4. Average procurement price: Average price paid by state trading enterprise to procure the product. In cases where the initial procurement price is subsequently augmented by other payments, such as pool returns or government subsidies, those additional payments should also be reported.
5. Average representative domestic sales price: Average domestic wholesale market price during the year in question.
6. Average export price: Average sales price of exports (f.o.b. basis) by the state trading enterprise (total value divided by total quantity).
7. National Production: Quantity of national production at the appropriate level of specificity.

Table III - Objective: Provide information on domestic commercial activities where products are internationally traded by the state trading enterprise.

1. Description of product(s): Product description (e.g, wheat/flour) including HS number
2. Domestic purchases by state trading enterprise: Quantity purchased by the state trading enterprise from domestic production.
3. National Production: Quantity of national production at the appropriate level of specificity.
4. Domestic sales by state trading enterprise: Quantity sold by the state trading enterprise to domestic users.
5. National Consumption: Quantity of national consumption at the appropriate level of specificity.

SECTION V - Objective: Explanation of why no trade has taken place.

In the event no trade has taken place for a product covered by the authority of a state trading enterprise, explain why.

SECTION VI - Objective: Provision of additional information.

Countries may provide any additional information that may be appropriate.
