

WORLD TRADE ORGANIZATION

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**Working Party on the
Accession of Viet Nam**

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ACCESSION OF VIET NAM

Notification on State Trading Enterprises

Addendum

The Government of the Socialist Republic of Viet Nam has submitted the following Notification on State Trading Enterprises in 2002 (Under Article XVII:4(a) of GATT 1994 and Paragraph 1, Understanding on Interpretation of Article XVII), with the request that it be circulated to the members of the Working Party.

LIST OF STATE TRADING ENTERPRISES OF VIET NAM (2002)

No	Products	HS	Name of enterprise	Functions of enterprise
1	Crude oil	27090010	Viet Nam Oil and Gas Corporation (PETROVIETNAM)	- Searching, exploring, exploiting, processing and dealing in oil and gas products, providing oil and gas related services.
2	Refined petrol & gasoline	271011 271019 271099	- PETROLIMEX - PETEC - PETECHIM - SAIGON PETRO - PETROMEKONG - VINAPCO (Airlines Petrol & Gasoline Company which is the exclusive re-exporter of aircraft gasoline) - Petroleum Processing and Trading Company; - MARINESUPPLY - Military Petroleum and Gas Corporation - Dong Thap Petroleum Import-Export Company	- Authorised importers of gasoline and petrol for supplying to domestic consumption.
3	Aircraft spare parts and aviation equipment, facility	8802, 8803	Airlines Import Export Corporation (AIRIMEX)	- Ensuring the supply of aircraft, equipment, facility and materials used in aviation; - Sole importer of aircraft and aviation materials, spare parts.
4	Film	8524	Viet Nam Films Import/Export and Distribution Company (FAFILM VIET NAM)	Sole importer and distributor of feature films (video tape, VCD).
5	Newspapers	4902	Books and Newspapers Import Export Company (XUNHASABA)	Sole importer and distributor of newspapers.

1. STATE TRADING ENTERPRISES ON: CRUDE OIL

I. Enumeration of State Trading Enterprises

A. Identification of state trading enterprises

Viet Nam Oil and Gas Corporation (PETROVIETNAM)

Address: 22 Ngo Quyen, Hanoi, Viet Nam
Tel: 84 4 8252526
Fax: 84 4 8265942

B. Description of products affected (including tariff item number(s) encompassed in product description)

Crude oil (HS 27090010)

II. Reason and Purpose

A. Reason for establishing

PETROVIETNAM was established with the aim at doing researches, exploration, exploitation, processing, stock, transportation of oil and gas and providing oil & gas related services, exportation and importation of petroleum materials, equipment, crude oil, petroleum products, distribution of petroleum products, carrying out other trading activities permitted by the law and performing other tasks assigned by the State.

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

- Petroleum Law ratified by Vietnamese National Assembly on 7 July 1993;
- Decree No. 84/CP dated 17 December 1996 of the Government on detailed stipulation of implementation of Petroleum Law;
- Decrees No. 37/CP dated 29 May 1995 Decree No. 38/CP dated 30 May 1995 of the Government.

III. Description of the Functioning of the State Trading Enterprise

A. Summary statement providing overview of operations of the state trading enterprise

PETROVIETNAM operates in the field of doing researches, exploration, exploitation, processing, stock, transportation of oil and gas and providing oil & gas related services, exportation of crude oil allocated to Vietnamese side and on behalf of tenders.

B. Specification of exclusive or special rights or privileges enjoyed by the state trading enterprise

PETROVIETNAM has the exclusive right of doing researches, exploration, exploitation, exportation of crude oil.

C. Type of entities other than the state trading enterprise that are allowed to engage in importation/exportation and conditions for participation

Foreign contractors have the right to export crude oil allocated according to gas and oil production sharing contract.

D. How export levels are established by the state trading enterprise

In accordance with the approved production and exportation plan.

E. How export prices are determined

Export prices are determined on the basis of market price.

F. How the resale prices of imported products are determined

Resale prices are determined on the basis of market price.

G. Whether long-term contracts are negotiated by the state trading enterprise. Whether the state trading enterprise is used to fulfill contractual obligations entered into by the government

The enterprise is allowed to negotiate long-term contracts. However, the Government has not used PETROVIETNAM to fulfill its contractual obligations.

H. Brief description of market structure

Information not available.

IV. Statistical Information

Viet Nam's crude oil export over the past three years:

- 2000: 15.4 million tons
- 2001: 16.7 million tons
- 2002: 16.9 million tons

V. Reason why no foreign trade has taken place

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VI. Additional Information

Not available.

2. STATE TRADING ENTERPRISES ON: PETROLEUM AND GASOLINE

I. Enumeration of State Trading Enterprises

A. Identification of state trading enterprises

Viet Nam National Petroleum Corporation (PETROLIMEX)

Address: 1 Kham Thien, Hanoi, Viet Nam
Tel: 84 4 8512603/512898
Fax: 84 4 8519203
Telex: 411241

B. Description of products affected (including tariff item number(s) encompassed in product description)

- Mogas, Diesel, Kerosene, Mazut (HS 271011, HS 271019, HS 271099)

II. Reason and Purpose

A. Reason or purpose for establishing and/or maintaining state trading enterprise

PETROLIMEX is established to ensure the efficient supply of fuels for production and consumption in order to meet socio-economic development objectives.

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

Decision No. 46/2001/QD-TTg dated 4th April 2001 of the Prime Minister on the administration of export and import in the 2001-2005 period.

III. Description of the Functioning of the State Trading Enterprise

A. Summary statement providing overview of operations of the state trading enterprise

PETROLIMEX's function is to import petrol and gasoline for domestic consumption, supply to foreign liners operating in Viet Nam's waters, provide for industrial zones, export processing zones in Viet Nam and re-export.

B. Specification of exclusive or special rights or privileges enjoyed by the state trading enterprise

PETROLIMEX is one of 5 authorized importers and re-exporters of petrol and gasoline. The Corporation is allocated 60% of annual import quota of petrol and gasoline.

C. Type of entities other than the state trading enterprise that are allowed to engage in importation/exportation and conditions for participation

- Petec
- Petechim
- Saigon Petro
- PetroMekong
- Vinapco (Airlines Petrol & Gasoline Company which is the exclusive re-exporter of aircraft gasoline)
- Petroleum Processing and Trading Company;
- Marinesupply;
- Military Petroleum and Gas Corporation
- Dong Thap Petroleum Import-Export Company

Note: The list of the above enterprises are subject to changes according to the annual petroleum import administration mechanism.

D. How import/export levels are established by the state trading enterprise

- Based on the previous year's demand;
- Based on the overall demand of the domestic market;
- Based on commercial considerations.

E. How export prices are determined

- Based on importing price to determine the re-exporting price
- Based on actual trading cost
- Based on price and cost of other suppliers

F. How the resale prices of imported products are determined

The ceiling price is determined by the Government.

G. Whether long-term contracts are negotiated by the state trading enterprise. Whether the state trading enterprise is used to fulfill contractual obligations entered into by the government

The Corporation is allowed to negotiate long-term contracts. The Government has used PETROLIMEX to fulfill its contractual obligations.

H. Brief description of market structure

The Corporation covers around 60% market share in Viet Nam.

IV. Statistical Information

V. Reason why no foreign trade has taken place

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VI. Additional Information

Not available.

3. STATE TRADING ENTERPRISES ON: AIRCRAFT AND PARTS OF AEROPLANES OR HELICOPTERS

I. Enumeration of State Trading Enterprises

A. Identification of state trading enterprises

Name: Airlines Import-Export Company (AIRIMEX)

Address: 100 Nguyen Van Cu, Gialam, Hanoi, Viet Nam

Tel: 84 4 8271351/8271939

Fax: 84 4 8271925

B. Description of products affected (including tariff item number(s) encompassed in product description)

1. Aircraft (HS 8802)
2. Parts of aero-planes or helicopters (HS 8803)

II. Reason and Purpose

A. Reason or purpose for establishing and/or maintaining state trading enterprise

Airplanes, spare parts of airplanes and related equipments and facilities are the kinds of products which are required to meet highly exact and specialized standards, and not readily available or popular. Therefore, trading in these products has to be handled by an enterprise with relevant expertise so as to meet the necessary quality and technical requirements.

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

AIRIMEX was established under the Decision No.197/TCHK dated 21 March 1989 of Viet Nam Civil Aviation General Department.

III. Description of the Functioning of the State Trading Enterprise

A. Summary statement providing overview of operations of the state trading enterprise

Following are scope of activities of AIRIMEX:

- Import and export of airplanes, equipment, materials, spare-parts for aviation industry and other materials;
- Providing cargo forwarding services, air-ticket booking and ticket agency services.

B. Specification of exclusive or special rights or privileges enjoyed by the state trading enterprise

The Company is the exclusive importer and distributor of spare parts of airplanes and most of other equipments and facilities in the aviation industry.

C. Type of entities other than the state trading enterprise that are allowed to engage in importation/exportation and conditions for participation

Other organisations are only permitted to export and import similar products upon the approval and assignment of Viet Nam Civil Aviation General Department or the Government.

D. How import/export levels are established by the state trading enterprise

Based on the consumption demand for products in the aviation industry.

E. How export prices are determined

Not applicable.

F. How the resale prices of imported products are determined

Based on commercial consideration.

G. Whether long-term contracts are negotiated by the state trading enterprise. Whether the state trading enterprise is used to fulfill contractual obligations entered into by the government

The Corporation is allowed to negotiate and sign long-term contract.

H. Brief description of market structure

AIRIMEX covers 100% of domestic market share of aviation specialised materials and equipment.

IV. Statistical Information

Year	Total import turnover
2000	10,181,685 US\$
2001	20,847,536 US\$
2002	26,405,911 US\$

V. Reason why no foreign trade has taken place

There are no exporting activities. Viet Nam has virtually no aviation industry. Therefore, there is no product for export.

VI. Additional Information

Not available.

4. STATE TRADING ENTERPRISES ON: VIDEO TAPES AND VIDEO COMPACT DISCS OF FEATURE FILMS

I. Enumeration of State Trading Enterprises

A. Identification of state trading enterprises

Name: Viet Nam Film Import Export and Distribution Company (FAFILM VIET NAM)

Address: 19 Nguyen Trai, Thanh Xuan District, Hanoi, Viet Nam
Tel: 84 4 8533374/8534566
Fax: 84 4 8531611

B. Description of products affected (including tariff item number(s) encompassed in product description)

Video tapes and video compact discs of all kinds (HS 8524)

II. Reason and Purpose

A. Reason or purpose for establishing and/or maintaining state trading enterprise

The Company was established under the Decision on establishment No. 801/QD dated 24 June 1993 of Ministry of Culture and Information to distribute products of domestic film producers, to import feature films of all kinds for supply to all localities in the country.

The reason for maintaining state trading enterprise:

- Culture, including cinematography, is a very sensitive aspect that requires tight administration to maintain national identities.

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

- Decree No.48/CP dated 17 July 1995 of the Government.
- Decision No. 474/TC-QD dated 20 April 1992;

Legal basis for granting the exclusive rights of enterprise:

- Under Article 15, Decree No. 48/CP dated 17 July 1995 of the Government, the importation of feature films for commercial purpose in any form is carried out by FAFIM Viet Nam of Ministry of Culture;
- According to Decree No. 26/CP dated 3 August 2000 of the Government and Article 3, Circular No. 28/2000/TT-BVHTT dated 31 October 2000 of the Ministry of Culture and Information, FAFIM has only exclusive right to import video tape, video compact disc of feature films of all kinds, but the imported amount is negligible.

III. Description of the Functioning of the State Trading Enterprise

A. Summary statement providing overview of operations of the state trading enterprise

The Company has trading capital of VND 41,773 million, of which budgeted capital and self-financed capital is VND 23,093 million.

Functions of the Company: import and export video tapes and video compact discs of all kinds to supply for cinema and home entertainment network.

B. Specification of exclusive or special rights or privileges enjoyed by the state trading enterprise

- Exclusive importer and distributor of feature films (video tapes and video compact discs);
- Authorised to export and export on commission basis feature films (video tapes);
- Entitled to import subsidies for some films with high artistic value and films for children.

C. Type of entities other than the state trading enterprise that are allowed to engage in importation/exportation and conditions for participation

None.

D. How import/export levels are established by the state trading enterprise

Based on the company's financial standing.

E. How export prices are determined

Not applicable.

F. How the resale prices of imported products are determined

According to commercial considerations.

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

The Company is allowed to negotiate and sign long-term contracts.

H. Brief description of market structure

The Company covers 100% market share of video tapes and video compact discs in Viet Nam.

IV. Statistical Information

Import quantity is negligible.

V. Reason why no foreign trade has taken place

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VI. Additional Information

Not available.

5. STATE TRADING ENTERPRISES ON: NEWSPAPERS

I. Enumeration of State Trading Enterprises

A. Identification of state trading enterprises

Name: The Books and Newspapers Export Import Corporation
(XUNHASABA)
Address: 32 Hai Ba Trung, Hanoi, Viet Nam
Tel: 84 4 8247330/8262989
Fax: 84 4 8252860

B. Description of products affected (including tariff item number(s) encompassed in product description)

Newspapers, magazines and periodicals with or without illustrative pictures or with advertising contents (HS 4902).

II. Reason and Purpose

A. Reason or purpose for establishing and/or maintaining state trading enterprise

Culture (including newspapers, magazines ...) is a very sensitive aspect that requires tight administration to maintain national identities.

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

- The 1993 Law on Publication;
- Decision No. 2501/Q§-CXB dated 15 August 1997 issuing the regulations on the organization and operation of publication entities.
- Import and Export licence issued by the Ministry of Culture and Information.

III. Description of the Functioning of the State Trading Enterprise

A. Summary statement providing overview of operations of the state trading enterprise

XUNHASABA was established in 1957 with main functions of exporting and importing of books, newspapers, magazines, stamps for collection and other kinds of publications. In addition, the Company was assigned to introduce and publicize Vietnamese and foreign books, newspapers, magazines, and import books and newspapers, magazines... for domestic consumption. At present, XUNHASABA has exclusive right only to import newspapers of all kinds.

B. Specification of exclusive or special rights or privileges enjoyed by the state trading enterprise

XUNHASABA is currently Viet Nam's exclusive importer of newspapers and magazines.

C. Type of entities other than the state trading enterprise that are allowed to engage in importation/exportation and conditions for participation

None.

D. How import/export levels are established by the state trading enterprise

- Based on the clients' orders;
- Based on the plan implementation of the previous years;
- Based on the domestic market demand.

E. How export prices are determined

Based on the market price.

F. How the resale prices of imported products are determined

CIF price plus the Corporation's pre-determined profit margin.

G. Whether long-term contracts are negotiated by the state trading enterprise. Whether the state trading enterprise is used to fulfill contractual obligations entered into by the government

No.

H. Brief description of market structure

Newspapers imported by the Corporation are retailed through the Corporation's outlets or are distributed to the Corporation's clients such as libraries, schools and institutions, etc.

IV. Statistical Information

Import in 2002: USD 2,500,000

V. Reason why no foreign trade has taken place

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VI. Additional Information

Not available.
