

# WORLD TRADE ORGANIZATION

G/STR/N/4/PRY  
5 October 1998

(98-3834)

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Working Party on State Trading Enterprises

Original: Spanish

## STATE TRADING

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

#### PARAGUAY

The following communication, dated 2 September 1998, has been received from the Permanent Mission of Paraguay.

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I have pleasure in attaching herewith a copy of Note D.DACB/N. No. 0017/98, dated 12 August 1998, from the Central Bank of Paraguay, concerning State trading imports pursuant to Article XVII.4(a) of the GATT 1994, in conformity with paragraph 1 of the Understanding on the Interpretation of Article XVII.

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Central Bank of Paraguay

D.DACB/N. No. 0017/98

Asunción, 12 August 1998

Mr. Ambassador,

I refer to letter VMAE/DGPE/L/No. 414, dated 10 June last, in which you request information regarding imports by the Central Bank of Paraguay that might be classified as State trading pursuant to Article XVII:4(a) of the GATT 1994, in conformity with paragraph 1 of the Understanding on the Interpretation of Article XVII.

As Paraguay's issuing authority, the Central Bank of Paraguay solely and exclusively imports banknotes and coins. After the 1991 tax reform, the import of banknotes and coins was subject to the same import regime as other goods under the same tariff heading. Subsequently, as part of the MERCOSUR tariff harmonization, tariffs under these headings were raised by three percentage points and since January 1998 a provision by the Executive has been in effect applying a rate of 16 per cent to the import of coins. Since this rate has been applied, the Central Bank has requested the Executive on a case-by-case basis for exemption from payment of customs duties on the import of banknotes and coins. Until now, all imports in 1998 have been exempt from payment of any type of duty. This year, therefore, the import of banknotes and coins has enjoyed preferential treatment, so the WTO should be informed accordingly.

Up to 6 June 1998, the following amounts had been imported:

<u>Tariff line</u>	<u>Article</u>	<u>Amount in US dollars</u>
71.18.10.10	Coins	789,862
49.07.00.90	Banknotes	1,326,930

Accept, Sir, the assurances of my highest consideration.

[Signed] Dionisio A. Coronel B.  
Titular Representative of the Central Bank of Paraguay

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