

WORLD TRADE ORGANIZATION

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Working Party on
State Trading Enterprises

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STATE TRADING

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

THAILAND

The following communication, dated 16 May 2001, has been received from the Permanent Mission of Thailand.

This notification concerns products which are the subject of state trading within the meaning of Article XVII:4 (a) of the GATT 1994 and of paragraph 1 of the Understanding on the Interpretation of Article XVII. It covers all changes in this area since Thailand's last updating notification.

Enumeration of state trading enterprises

The notification covers the following enterprises:

- (1) Public Warehouse Organization (PWO)
- (2) Liquor Distillery Organization (LDO)
- (3) Thailand Tobacco Monopoly (TTM)

1. Public Warehouse Organization (PWO)

PWO is empowered by the Ministry of Commerce to be the sole importer of garlic under HTS heading 0703.20.007, 0712.90.0115 and 0712.90.0128.

Reason and purpose

PWO is a state enterprise attached to the Ministry of Commerce of Thailand. An object set for the Organization, according to the Royal Decree Establishing the Public Warehouse B.L. 1955, was "to engage in all activities concerning agricultural goods and consumer products, as well as in service business connected with agricultural goods and consumer products."

The purpose of the PWO is to provide stability and predictability of prices and quantities of agricultural goods and consumer products. PWO will ensure that domestic production will not create an over- supply situation for the product.

Description of the Functioning of the State Trading Enterprise

The Ministry of Commerce, in cooperation with the Ministry of Agriculture and Agricultural Cooperatives, have issued “the Ministry of Commerce Regulation on Import Licensing for Garlic under the WTO Agreement” assigning PWO to administer the importation of in-quota quantity of garlic. The objective of the Regulation is to ensure that domestic prices and quantities of garlic are appropriate for both producers and consumers. PWO does not conduct direct import operations, but allocate quantities each importer could import under in-quota tariff. Importers will have to perform import operations themselves and then submit an import request to PWO. In practice, imports of garlic under such regulation will be allowed only when domestic production is not enough for local consumption that will cause high prices to the public.

Reason why no foreign trade has taken place

Each year PWO have allocated such quota to private sectors who intend to import, however, so far still no imports have taken place.

TABLE I**STATE TRADING: PUBLIC WAREHOUSE (PWO)***STATISTICAL INFORMATION, IMPORTS*

Description of Product	Year	Total quantity imported (kilogram)	Quantity imported by state trading enterprise (kilogram)	Average import price (Baht/kilogram)	Average representative domestic sales price	Mark-up	National production (ton)
Garlic, fresh or chilled (070320)	1998	440	n.a.	18.47	N/A	N/A	119,000
	1999	93	n.a.	257.68	N/A	N/A	118,000
	2000	23,078	n.a.	21.68	N/A	N/A	126,000
Dried garlic, in powder (0712900115)	1998	0	n.a.	-	N/A	N/A	N/A
	1999	3,000	n.a.	38.87	N/A	N/A	N/A
	2000	18,946	n.a.	39.36	N/A	N/A	N/A
Dried garlic, not in powder (0712900128)	1998	0	n.a.	-	N/A	N/A	N/A
	1999	0	n.a.	-	N/A	N/A	N/A
	2000	0	n.a.	-	N/A	N/A	N/A

Note: n.a. = not applicable

N/A = not available

TABLE II
STATE TRADING: PUBLIC WAREHOUSE (PWO)
STATISTICAL INFORMATION, EXPORTS

Description of Product	Year	Total quantity exported (kilogram)	Quantity exported by state trading enterprise	Average procurement price	Average representative domestic sales price	Average export price (Baht/kilogram)	National production (ton)
Garlic, fresh or chilled (070320)	1998	18,004	n.a.	n.a.	N/A	21.85	119,000
	1999	40,674	n.a.	n.a.	N/A	37.03	118,000
	2000	268,547	n.a.	n.a.	N/A	55.25	126,000
Dried garlic, in powder (0712900115)	1998	25,142	n.a.	n.a.	N/A	140.92	N/A
	1999	9,118	n.a.	n.a.	N/A	105.85	N/A
	2000	46,287	n.a.	n.a.	N/A	48.87	N/A
Dried garlic, not in powder (0712900128)	1998	5,090	n.a.	n.a.	N/A	53.65	N/A
	1999	2,559	n.a.	n.a.	N/A	98.35	N/A
	2000	2,161	n.a.	n.a.	N/A	72.80	N/A

Note: n.a. = not applicable

N/A = not available

TABLE III

STATE TRADING: PUBLIC WAREHOUSE (PWO)
STATISTICAL INFORMATION, DOMESTIC ACTIVITIES

Description of product	Year	Domestic purchases by State trading enterprise	National production (ton)	Domestic sales by State trading enterprise	National consumption
Garlic, fresh or chilled (070320)	1998	n.a.	119,000	n.a.	N/A
	1999	n.a.	118,000	n.a.	N/A
	2000	n.a.	126,000	n.a.	N/A
Dried garlic, in powder (0712900115)	1998	n.a.	N/A	n.a.	N/A
	1999	n.a.	N/A	n.a.	N/A
	2000	n.a.	N/A	n.a.	N/A
Dried garlic, not in powder (0712900128)	1998	n.a.	N/A	n.a.	N/A
	1999	n.a.	N/A	n.a.	N/A
	2000	n.a.	N/A	n.a.	N/A

Note: n.a. = not applicable

N/A = not available

2. Liquor Distillery Organization (LDO)

LDO is empowered by the Excise Department, Ministry of Finance to be the sole producer of ethyl alcohol 95 per cent.

Reason and purpose

The Liquor Act, B.E. 2493, authorised LDO to be the sole producer and distributor of ethyl alcohol 95 per cent. The purpose of such an arrangement is to control the supply of ethyl alcohol in order to keep down the number of alcoholic beverage producers. It also aims at preventing illegal trade.

Description of the functioning of the state trading enterprise

LDO only deals with the production of ethyl alcohol 95 per cent to be distributed within the country. Presently there is no import or export of ethyl alcohol 95 per cent by LDO.

Reason why no foreign trade has taken place

Production quantity of ethyl alcohol 95 per cent is not enough to sell for foreign trade. Under the Liquor Act, B.E. 2493, no import of ethyl alcohol 95 per cent is allowed in order to prevent illegal production of low quality alcoholic beverages to protect human health.

TABLE I

STATE TRADING: LIQUOR DISTILLERY ORGANIZATION (LDO)

STATISTICAL INFORMATION, IMPORTS

Description of Product	Year	Total quantity imported	Quantity imported by state trading enterprise	Average import price	Average representative domestic sales price	Mark-up	National production
Ethyl alcohol 95 per cent	1998-2000	n.a.	n.a.	n.a.	N/A	n.a.	N/A

Note: n.a. = not applicable

N/A = not available

TABLE II
STATE TRADING: PUBLIC WAREHOUSE (PWO)
STATISTICAL INFORMATION, EXPORTS

Description of Product	Year	Total quantity exported (kilogram)	Quantity exported by state trading enterprise	Average procurement price	Average representative domestic sales price	Average export price	National production
Ethyl alcohol 95 per cent	1998-2000	n.a.	n.a.	n.a.	N/A	n.a.	N/A

Note: n.a. = not applicable

N/A = not available

TABLE III

STATE TRADING: LIQUOR DISTILLERY ORGANIZATION (LDO)

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES

Description of product	Year	Domestic purchases by State trading enterprise (litres)	National production	Domestic sales by State trading enterprise (litres)	National consumption
Ethyl alcohol 95 per cent	1997	N/A	N/A	4,771,690	N/A
	1998	N/A	N/A	4,814,695	N/A
	1999	N/A	N/A	4,948,977	N/A
	2000	3,000,000	N/A	N/A	N/A

Note: n.a. = not applicable

N/A = not available

3. Thailand Tobacco Monopoly (TTM)

TTM is empowered by the Ministry of Finance. The organization is the sole producer of cigarettes in Thailand.

Reason and purpose

The Tobacco Act, B.E. 2509, authorised TTM to be the sole producer of cigarettes in order to reduce negative consequences of cigarette consumption by controlling the domestic supply of products.

Description and functioning

To prevent cigarette quantities from exceeding certain limits that are specified by the Excise Department, under the Ministry of Finance, TTM is authorised to be the sole importer of tobacco which is used for producing cigarettes in Thailand. There is no restriction for private companies to import or export cigarettes.

TABLE I

STATE TRADING: THAILAND TOBACCO MONOPOLY (TTM)

STATISTICAL INFORMATION, IMPORTS

Description of product (s)	Fiscal * Year	Total quantity imported (kilograms)	Quantity imported by state trading enterprise (kilograms)	Average import price		Average representative domestic sales price	Mark-up	National production
				Fiscal Year	US\$			
American Tobacco (Flue-cured & Burley)	1998	3,530,536.15	3,530,536.15	1998 crop: Flue-cured	289.10	N/A	N/A	N/A
				Burley	320.94	N/A	N/A	N/A
	1999	3,000,018.14	3,000,018.14	1999 crop: Flue-cured	287.64	N/A	N/A	N/A
				Burley	322.17	N/A	N/A	N/A
	2000	3,112,900.16	3,112,900.16	2000 crop: Flue-cured	N/A	N/A	N/A	N/A
				Burley	N/A	N/A	N/A	N/A

* Note: Fiscal year is a period start from October to September of the following year.

Note: n.a. = not applicable

N/A = not available

TABLE II
STATE TRADING: THAILAND TOBACCO MONOPOLY (TTM)

STATISTICAL INFORMATION, EXPORTS

Description of products	Fiscal Year	Total quantity exported (million pieces)	Quantity exported by State trading enterprise (million pieces)	Average procurement price	Average representative domestic sales price	Average export price (per pack) (US\$)	National production
Cigarettes (HS: 2402.10)	1998	151.65	151.65	N/A	N/A	0.21	N/A
	1999	147.94	147.94	N/A	N/A	N/A	N/A
	2000	68.30	68.30	N/A	N/A	N/A	N/A
	2001 (Oct-Nov)	3.46	3.46	N/A	N/A	N/A	N/A

Note: n.a. = not applicable

N/A = not available

TABLE III

STATE TRADING: THAILAND TOBACCO MONOPOLY (TTM)

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES

Description of product	Fiscal Year	Domestic purchases by State trading enterprise	National production	Domestic sales by State trading enterprise (baht)	National consumption
Cigarettes (HS. 2402.10)	1998	n.a.	N/A	35,715.20	N/A
	1999	n.a.	N/A	31,347.40	N/A
	2000	n.a.	N/A	61,688.00	N/A

Note: n.a. = not applicable

N/A = not available
