

REPORT (2002) 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 (9 October 2001 – 19 November 2002), first Ms. Maija Manika (Latvia), and then Mr. Aliyu Abubakar (Nigeria), served as Chair of the Working Party.

2. The mandate of the Working Party, as set out in paragraph 5 of the Understanding, is: (i) to review notifications and counter-notifications on state trading; (ii) to review, in the light of the notifications received, the adequacy of the questionnaire on state trading (BISD 9S/184) and the coverage of state trading enterprises notified under paragraph 1 of the Understanding; and (iii) to develop an illustrative list showing the kinds of relationships between governments and enterprises, and the kinds of activities engaged in by these enterprises, which may be relevant for the purposes of Article XVII of GATT 1994. Regarding the review of notifications, the Working Party having completed the mandated revision of the questionnaire on state trading, now reviews notifications in light of the revised questionnaire adopted on 2 April 1998 (G/STR/3). Regarding the Illustrative List of State Trading Relationships and Activities, the Working Party completed its mandate with the adoption of the illustrative list by the Council for trade in Goods on 15 October 1999 (G/STR/4).

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. Participants in the Working Party's meetings to date are: Argentina; Australia; Bangladesh; Brazil; Brunei Darussalam; Burundi; Canada; Chile; China; Colombia; Costa Rica; Cuba; Cyprus; Czech Republic; Egypt; El Salvador; European Communities; Guatemala; Hong Kong, China; Honduras; Hungary; Iceland; India; Indonesia; Israel; Japan; Korea; Latvia; Lithuania; Malaysia; Malta; Mauritius; Mexico; Morocco; New Zealand; Norway; Pakistan; Paraguay; Peru; Philippines; Poland; Romania; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Singapore; Slovak Republic; South Africa; Switzerland; Thailand; Trinidad and Tobago; Turkey; United States; Uruguay; Venezuela; and Zambia. Ethiopia; Jordan; Russian Federation; Saudi Arabia; Sudan; and Vietnam participated as observers.

5. The Working Party held one formal meeting during the period under review, on 19 November 2002. The Minutes of this meeting will be circulated in document G/STR/M/12.

II. NOTIFICATION AND REVIEW OF MEMBERS' STATE TRADING ACTIVITIES

6. Under Article XVII of GATT 1994 and paragraph 1 of the Understanding, all Members of the WTO are required to submit annual notifications of their state trading activities. New and full notifications were first required in 1995 and, subsequently, every third year thereafter, while updating notifications are to be made in the intervening years, indicating any changes since the last new and full notification. At the formal meeting held during the period under review, the Chairman made a statement concerning the need for timely compliance with notification requirements.

7. Updating notifications for 2002 have been received from 21 Members. New and full notifications for 2001 have been received from 43 Members and for 1998 from 49 Members.¹ (*See Annex to this Report.*)

8. At its meeting of 19 November 2002, the Working Party reviewed 50 notifications: 2002 updating notifications of Bulgaria; Chinese Taipei; Czech Republic; Estonia; Georgia; Guatemala; Hong Kong, China; Hungary; Indonesia; Jordan; Liechtenstein; Macao, China; Malta; Mauritius; Nigeria; Pakistan; Panama; Romania; South Africa; Switzerland and Zambia; 2001 new and full notifications of Argentina; Bulgaria; Chile; Costa Rica; the European Community; Georgia; Honduras; Hungary; India; Indonesia; Jordan; Lithuania; Moldova; Nigeria; Norway; Pakistan; Philippines; Poland; Venezuela; and Zambia; 2000 updating notifications of Argentina; Costa Rica; the European Community; Nigeria; Philippines; and Tunisia; 1999 updating notifications of Costa Rica; the European Community; Nigeria; Philippines; and Tunisia; 1998 new and full notifications of Canada; Nigeria; Philippines; and Tunisia; 1997 updating notifications of the European Community and Tunisia. At that meeting, the Working Party also adopted its Annual Report to the Council for Trade in Goods for the year 2002.

9. At its meeting held on 19 November 2002, the Working Party reflected on the situation regarding notifications in the area of state trading enterprises and their review. Following a proposal by the Chairman, the Working Party decided to undertake a process of identifying solutions to the problem of compliance with notification obligations and as first step in this process decided to hold an informal meeting in the month of February 2003 where this issue would be thoroughly discussed.

¹ The European Communities and its Member States are counted as one Member.

ANNEX

**NOTIFICATIONS SUBMITTED BY WTO MEMBERS UNDER
ARTICLE XVII:4(A) OF GATT 1994 AND PARAGRAPH 1 OF THE
UNDERSTANDING ON THE INTERPRETATION OF ARTICLE XVII OF GATT 1994**

Status as of 19 November 2002²

Member	New and Full Notification (1998) G/STR/N/4	Updating Notification (1999) G/STR/N/5	Updating Notification (2000) G/STR/N/6	New and Full Notification (2001) G/STR/N/7	Updating Notification (2002) G/STR/N/8
Albania	n.a.	n.a.			
Angola					
Antigua and Barbuda					
Argentina	X	X	X	X	
Australia	X	X			
Bahrain	X	X	X		
Bangladesh					
Barbados					
Belize					
Benin					
Bolivia		X	X	X	
Botswana					
Brazil					
Brunei Darussalam					
Bulgaria				X	X
Burkina Faso					
Burundi				X	
Cameroon					
Canada	X				
Central African Republic					
Chad	X	X	X	X	
Chile	X	X	X	X	
China	n.a.	n.a.	n.a.	n.a.	
Colombia	X				
Congo					
Costa Rica	X	X	X	X	
Côte d'Ivoire					

²An "X" indicates that a notification has been made. An "n.a." indicates that the notification obligation did not apply to the country in question as it was not a WTO Member at the time.

Member	New and Full Notification (1998) G/STR/N/4	Updating Notification (1999) G/STR/N/5	Updating Notification (2000) G/STR/N/6	New and Full Notification (2001) G/STR/N/7	Updating Notification (2002) G/STR/N/8
Croatia	n.a.	n.a.	n.a.		
Cuba					
Cyprus					
Czech Republic	X	X	X	X	X
Democratic Republic of the Congo					
Djibouti					
Dominica	X	X	X		
Dominican Republic					
Ecuador					
Egypt	X				
El Salvador	X	X	X		
Estonia	n.a.	n.a.		X	X
European Communities	X	X	X	X	
Fiji	X				
Gabon					
Gambia					
Georgia	n.a.	n.a.		X	X
Ghana				X	
Grenada					
Guatemala	X	X	X	X	X
Guinea Bissau					
Guinea, Republic of					
Guyana					
Haiti	X	X	X		
Honduras				X	
Hong Kong, China	X	X	X	X	X
Hungary	X	X	X	X	X
Iceland	X	X			
India				X	
Indonesia	X			X	X
Israel					
Jamaica				X	
Japan	X			X	
Jordan	n.a.	n.a.	X	X	X
Kenya					

Member	New and Full Notification (1998) G/STR/N/4	Updating Notification (1999) G/STR/N/5	Updating Notification (2000) G/STR/N/6	New and Full Notification (2001) G/STR/N/7	Updating Notification (2002) G/STR/N/8
Korea, Republic of	X				
Kuwait					
Kyrgyz Republic	n.a.				
Latvia	X	X	X	X	
Lesotho					
Liechtenstein	X	X	X	X	X
Lithuania	n.a.	n.a.	n.a.	X	
Macao, China	X	X	X	X	X
Madagascar					
Malawi					
Malaysia					
Maldives					
Mali		X			
Malta	X		X	X	X
Mauritania					
Mauritius					X
Mexico	X	X	X		
Moldova	n.a.	n.a.	n.a.	X	
Mongolia	X	X	X	X	
Morocco					
Mozambique					
Myanmar					
Namibia	X	X	X		
New Zealand	X	X	X	X	
Nicaragua					
Niger					
Nigeria	X	X	X	X	X
Norway	X	X	X	X	
Oman	n.a.	n.a.		X	
Pakistan	X	X	X	X	X
Panama	X	X	X	X	X
Papua New Guinea					
Paraguay	X				
Peru					
Philippines	X	X	X	X	
Poland	X	X	X	X	

Member	New and Full Notification (1998) G/STR/N/4	Updating Notification (1999) G/STR/N/5	Updating Notification (2000) G/STR/N/6	New and Full Notification (2001) G/STR/N/7	Updating Notification (2002) G/STR/N/8
Qatar		X			
Romania	X	X	X	X	X
Rwanda					
Saint Kitts & Nevis					
Saint Lucia					
Saint Vincent & Grenadines	X	X	X		
Senegal					
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu	n.a.	n.a.	n.a.	n.a.	X
Sierra Leone					
Singapore	X	X	X		
Slovak Republic	X	X	X		
Slovenia	X	X	X	X	
Solomon Islands					
South Africa	X	X	X	X	X
Sri Lanka					
Suriname					
Swaziland					
Switzerland	X	X	X	X	X
Tanzania					
Thailand				X	
Togo					
Trinidad & Tobago	X				
Tunisia	X	X	X		
Turkey	X	X	X		
Uganda	X	X	X		
United Arab Emirates					
United States					
Uruguay					
Venezuela	X	X	X	X	
Zambia	X	X		X	X

Member	New and Full Notification (1998) G/STR/N/4	Updating Notification (1999) G/STR/N/5	Updating Notification (2000) G/STR/N/6	New and Full Notification (2001) G/STR/N/7	Updating Notification (2002) G/STR/N/8
Zimbabwe					
Number of Notifying Members/Total Number of Members³	49/117	43/119	40/124	43/127	21/144

³ The numerator and denominator used here reflect the fact that, for each notification obligation, the European Communities submits a single notification that covers all 15 Member States. The total membership of the WTO (144 as of the adoption of this report on 26 September 2002) includes the European Communities plus the 15 Member States.