

WORLD TRADE ORGANIZATION

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Working Party on State Trading

MINUTES OF THE MEETING OF THE WORKING PARTY ON STATE TRADING ENTERPRISES HELD ON 18 SEPTEMBER 1998

Chairman: Mr. Jacques Teyssier d'Orfeuil (France)

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A. ADOPTION OF THE AGENDA	
1. The Working Party <u>adopted</u> the agenda contained in WTO/AIR/903, as above.	
B. REVIEW OF NOTIFICATIONS SUBMITTED BY MEMBERS PURSUANT TO REQUESTS FOR NOTIFICATIONS IN G/STR/N/1, 3, AND 4	
2. The <u>Chairman</u> recalled that, according to paragraph 5 of the Understanding on the Interpretation of Article XVII ("the Understanding"), the Working Party was tasked to review the notifications and counter-notifications on state trading submitted by Members, and in the light of this review, the Council for Trade in Goods may make recommendations with regard to the adequacy of notifications and the need for further information.	
3. The <u>Chairman</u> recalled that the Council for Trade in Goods, at its meeting on 20 February 1995, had established a deadline of 30 June 1995 for new and full notifications by Members on their state trading enterprises ("STEs"), and that subsequently the Working Party had agreed to maintain 30 June as the date for further (updating) notifications. On 17 March 1997, a request for updating notifications – which were to be based on the new and full notifications due in	

1995 – had been circulated in document G/STR/N/3. These most recent updating notifications, required of all WTO Members, had been due by 30 June 1997.

4. The Chairman said that, as of the date of circulation of the airgram convening the present meeting – 2 September 1998 – a total of 58 Members (counting the EU as one Member) had submitted new and full notifications in response to the 1995 request. In the area of updating notifications, 25 had been received for 1996 and only 27 for 1997 (again counting the EU as one Member). While the number of new and full notifications had increased, the failure of a number of Members to make timely updating notifications remained disappointing. The Understanding provided for the submission of counter-notifications where a Member felt that a notification by another Member was either incomplete or incorrect. However, no counter-notifications had been received thus far.

5. The Chairman suggested that the Working Party conduct the review in the same manner as at previous meetings, i. e. with a focus on two main elements: (1) Whether the notification responded adequately to the information requested in the questionnaire; and (2) Whether more information was needed in order to permit – in the language of paragraph 2 of the Understanding – "a clear appreciation of the manner of operation of the enterprises notified and the effect of their operations on international trade". He noted that the airgram divided the review exercise into two sections: one dealing with new and full notifications made under G/STR/N/1 and 4, and the other with updating notifications made under G/STR/N/3.

(1) New and full notifications under G/STR/N/1 and 4

6. No questions were posed regarding the notification of Qatar (G/STR/N/1/QAT).

7. No questions were posed regarding the notification of Mongolia (G/STR/N/4/MNG).

(2) Updating notifications under G/STR/N/3

8. No questions were posed regarding the notification of Jamaica (G/STR/N/3/JAM).

9. No questions were posed regarding the notification of Macau (G/STR/N/3/MAC).

10. No questions were posed regarding the notification of the Slovak Republic (G/STR/N/3/SVK).

11. The Chairman indicated that, as agreed at the Working Party's meeting in September 1996, notifications that had already been reviewed and on which there may be written questions would not be retained on the airgram for the Working Party's next meeting unless a Member specifically so requested.

12. The Chairman also emphasised the need for the Members to whom written questions had been addressed to respond in writing to those questions as soon as possible.

C. ILLUSTRATIVE LIST SHOWING THE KINDS OF RELATIONSHIPS BETWEEN GOVERNMENTS AND ENTERPRISES AND THE KINDS OF ACTIVITIES ENGAGED IN BY THESE ENTERPRISES (G/STR/W/35)

13. The Chairman recalled that, at the Working Party's meeting in November 1997, he had reported that a Chairman's text would be prepared which would consolidate in a single text the various elements submitted thus far for an illustrative list, with a view to developing a working draft of an illustrative list and thus advancing work on that important task. Since then, five informal meetings

had been held, at which the Chairman's text was discussed at length. At the most recent of those meetings, a second revision of the text was considered, and after further changes to that text, it was agreed that the text should be forwarded by the Working Party as a whole for consideration by the Council for Trade in Goods. Would any delegation have comments on the draft illustrative list?

14. The representative of the United States indicated that his delegation was unable to agree to the draft text at the present moment.

15. The representative of Australia stated that the Working Party had been discussing the illustrative list for some time and that the draft was a good compromise text. He hoped that the matter would soon be resolved. The illustrative list would be helpful in making the new and full notifications for 1998.

16. The Chairman expressed regret at the lack of consensus on the draft illustrative list, and indicated that he would continue to work on the matter. With respect to the date of the Working Party's next meeting, he stated that it would be determined by the number of notifications received in the coming weeks. The Working Party could possibly meet in December 1998.
