

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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STATE TRADING

1. In accordance with the decision of the CONTRACTING PARTIES taken at the twentieth session (BISD, Eleventh Supplement, page 58) new, full notifications on State trading, responsive to the questionnaire reproduced on pages 184-5 of the Ninth Supplement to Basic Instruments, should have been submitted in January 1969.
2. Attention is called to the special value which full and prompt reports on this subject would have this year for the work of the main committees of GATT engaged in implementation of the programme for the expansion of trade. At the recent meeting of the Committee on Trade in Industrial Products, where a number of measures involving the use of State-trading enterprises or government monopolies were examined, it was specifically mentioned that full reports by contracting parties could have supplied much more information relevant to the Committee's work than appeared to have been notified.
3. Although the reporting obligation applies to all contracting parties, it was also noted that only fourteen or fifteen contracting parties had responded to the last invitation to submit reports in 1966. Some contracting parties have not reported for even longer periods.
4. Operations covered by the reporting requirement, it should be noted, include not only State enterprises but in addition any enterprises which enjoy "exclusive or special privileges", marketing boards engaged directly or indirectly in purchasing or selling and other enterprises which have the statutory power to decide on imports and exports even if no such trade took place.
5. For the work of the Committee on Trade in Industrial Products, it is of particular importance that notifications indicate clearly the amount by which prices of imports are increased when imported goods are sold domestically, the extent to which the quantity of imports is restricted by the operation of the State-trading enterprise, and the basis on which country sources of supply for imports are chosen. Full information on the trend of domestic production of similar goods will help to enable other countries to evaluate effects where direct information on mark-ups and effects on imports cannot be supplied.

Contracting parties which have not already submitted full notifications are asked to do so as soon as possible.

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