

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

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STATE TRADING

Notifications Pursuant to Article XVII:4(a)

SLOVAK REPUBLIC

The following communication, dated 21 July 1994, has been received from the Permanent Mission of the Slovak Republic.

I. Enumeration of state trading enterprises

The Government of the Slovak Republic wishes to notify the operation of the State Fund for Market Regulation (SFMR - Statny fond trhovej regulacie) - a public agency that may qualify under the provisions of GATT Article XVII.

II. Reason and purpose for introducing and maintaining the SFMR

The SFMR was established by Act on State Fund for Market Regulation in Agriculture No. 270/1991 Coll. of Laws, as an independent economic body. The SFMR was preceded by the Federal Fund for Market Regulation carrying out identical functions and activities which ceased to exist due to the dissolution of the Czech and Slovak Federal Republic.

The main purpose of the SFMR is to provide the market regulation of selected agricultural products. The SFMR issues the list of agricultural products subject to market regulation in accordance with the development of supply and demand on domestic market.

With the aim to provide stability and predicability of price development through elimination of excessive price fluctuations the SFMR is authorized to make interventions on the domestic agricultural market. Simultaneously, the task of the SFMR is to ensure protection of the domestic agricultural production against low-priced imports.

The main commodities presently subject to the regulation by the Fund are as follows:

- grain (cereals)
- live cattle and beef meat
- pork meat
- butter
- skimmed milk powder
- cheeses
- sugar

- potatoes
- starch

The principle activities of the SFMR are financed from the annual budget allocations approved by the Government of the Slovak Republic. The scope of financing of the SFMR is limited.

### III. Description of functioning of the SFMR

#### 1. Regulation of market through intervention sales and purchases

The SFMR Council decides on the commodity subject to regulation, on its quantity and on the guaranteed (minimum reference) price on which the goods are purchased from the producers. Intervention purchases and storage of purchased goods are procured by the domestic economic operators (entities, agents) selected in tenders.

These operators enter into contractual obligations on normal commercial terms and in case of oversupply and subsequent fall in purchasing prices they purchase the goods in question from the domestic producers for at minimum guaranteed price and store them. When supply meets demand or in case of high level of demand the stocks are released to a domestic market on instructions by the SFMR with the view of stabilizing the consumer prices.

#### 2. Regulation of market through subsidized exports

The SFMR Council decides on the commodity subject to regulation, on its quantity, on the guaranteed (minimum reference) price on which the goods are purchased from the producers and on the level of subsidy granted. On the basis of tender the economic operators are selected to effect purchase on guaranteed prices from the domestic producers and export transaction of subsidized goods.

#### 3. Regulation of market through variable levies

In accordance with Decree No. 38/1992 of Federal Ministry of Finance on variable levies in imports the SFMR Council proposes the level of variable levies to the Ministry of Finance. The variable levy is a non-tariff instrument which eliminates or narrows the difference between the domestic price and the price of agricultural imports. It is applied to unbound items listed in the above-mentioned Decree.

The State budget disbursements designed of the SFMR totalled as follows:

1992	SK 1,401 billion
1993	SK 1,806 billion

The decisions of the Fund are taken by the SFMR Council consisting of the representatives of the following bodies: Director of SFMR, Ministry of Agriculture, Ministry of Finance, Ministry of Economy, Antimonopoly Office SR, Slovak Agricultural and Trade Chamber, Slovak Agricultural and Foodstuff Chamber, State Material Reserves, Slovak Consumers' Union, Expert Institution, State Fund for Market Regulation.

The SFMR has no monopolistic or exclusive position on the market since other traders remain free to export or import on competitive terms and under normal market conditions. The rights of these operators are not affected adversely by the SFMR activities.

IV. Statistical Information

The activity of the SFMR in the period of 1992 and 1993 were conducted in the following areas and commodities: (See table)

Table 1: Main operations of the SFMR in 1992-1993

(in thousand tons)

Commodities	Years	Production	Total Export	SFMR Export	Total Import	SFMR Import
Grain (cereals)	1992	3,552.3	230.57	0.0	21.08	0.0
	1993	3,148.8	212.28	0.0	229.50	0.0
Beef meat	1992	68.4*	25.16	21.4	0.46	0.0
	1993	105.7*	23.18	12.0	4.15	0.0
Pork meat	1992	123.8*	1.85	0.0	0.91	0.0
	1993	85.5*	1.06	0.95	1.79	0.0
Poultry	1992	47.7*	6.42	3.75	1.03	0.0
	1993	44.6*	5.87	1.44	7.19	0.0
Eggs (thous. pcs)	1992	246	0.28	0.00	1.03	0.0
	1993	120	2.40	2.03	1.22	0.0
Butter	1992	21	4.45	3.62	0.10	0.0
	1993	18	1.86	1.86	3.64	0.0
Skimmed milk powder	1992	20.0	6.52	6.33	0.06	0.0
	1993	19.4	12.35	7.52	7.15	0.0
Cheeses	1992	31	4.52	4.49	0.41	0.0
	1993	32	8.31	6.88	4.32	0.0
Sugar	1992	149.3	51.16	49.76	0.11	0.0
	1993	139.4	9.59	9.52	27.67	0.0
Potatoes	1992	657.7	5.69	0.00	3.59	0.0
	1993	823.3	4.52	4.00	27.76	0.0
Sunflower	1992	78.8	51.00	49.40	0.66	0.0
	1993	64.4	28.77	0.00	0.55	0.0
Sunflower oil	1992	19.3	2.91	1.79	1.81	0.0
	1993	28.6	1.14	0.00	2.24	0.0
Starches	1992	14.8	4.93	0.80	0.26	0.0
	1993	12.9	5.10	0.76	0.06	0.0

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\*Statistical data are without natural production.