

Chair's Reference Paper¹

Rev.1²

EXPORTING STATE TRADING ENTERPRISES

Structure for Discussion

1. Members shall ensure that agricultural exporting state trading enterprises are operated in conformity with the provisions specified below and, subject to these provisions, in accordance with Article XVII, the Understanding on the Interpretation of Article XVII and other relevant provisions of GATT 1994, the Agreement on Agriculture and other WTO agreements.

2. For the purpose of this Article, an agricultural exporting state trading enterprise shall be considered to be:

any governmental or non-governmental enterprise, including a marketing board, which has been granted [or which enjoys *de facto* as a result of its governmental or quasi-governmental status] exclusive or special rights [or] privileges [or advantages with respect to exports of agricultural products], including statutory or constitutional powers, in the exercise of which the enterprise influences through their export sales the level or direction of agricultural exports.

3. In order to ensure the elimination of trade-distorting practices with respect to agricultural exporting state trading enterprises as defined above, Members shall eliminate by the end of 2013: (*in parallel with the elimination of all other forms of export subsidies*)

- (a) export subsidies, as defined by Article 1(e) of the Agreement on Agriculture provided to or by exporting state trading enterprises, consistent with Members export subsidy commitments, and the provisions of Article 9.4 of the Agreement on Agriculture;
- (b) government financing of exporting state trading enterprises, [including, *inter alia*], preferential access to capital or other special privileges with respect to government financing or re-financing facilities, borrowing, lending or government guarantees for commercial borrowing or lending, at below market rates; [and]
- (c) government underwriting of losses, either directly or indirectly, [including] losses or reimbursement of the costs or write-downs or write-offs of debts owed by export state trading enterprises on their export sales.[; and]
- (d) [other?]

Monopoly Powers

4. In order to ensure that trade-distorting practices of export state trading enterprises are eliminated,

¹ The headings used in this reference paper are indicative only.

² This is a revision of the Chair's Reference Paper issued on 11 April 2006, under n°2653.

[Members shall ensure that the use of monopoly powers by such enterprises is not exercised in a manner which, either *de jure* or *de facto*, effectively circumvents the provisions set out in