

SECTION D.—STATE TRADING

Article 30

Non-discriminatory Treatment

1. (a) Each Member undertakes that if it establishes or maintains a State enterprise, wherever located, or grants to any enterprise, formally or in effect, exclusive or special privileges, such enterprise shall, in its purchases or sales involving either imports or exports, act in a manner consistent with the general principles of non-discriminatory treatment applied in this Charter to governmental measures affecting imports or exports by private traders.

(b) The provisions of sub-paragraph (a) of this paragraph shall be understood to require that such enterprises shall, having due regard to the other provisions of this Charter, make any such purchases or sales solely in accordance with commercial considerations, including prices, quality, availability, marketability, transportation and other conditions of purchase or sale, and shall afford the enterprises of the other Members adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases or sales.

(c) No Member shall prevent any enterprise (whether or not an enterprise described in sub-paragraph (a) of this paragraph) under its

Article 30.

Paragraph 1.

The operations of Marketing Boards which are established by Members and are engaged in purchasing or selling, are subject to the provisions of sub-paragraphs (a) and (b).

The activities of Marketing Boards which are established by Members and which do not purchase or sell but lay down regulations covering private trade are governed by the relevant Articles of this Charter.

The charging by a State enterprise of different prices for its sales of a product in different markets is not precluded by the provisions of this Article, provided that such different prices are charged for commercial reasons, to meet conditions of supply and demand in export markets.

Sub-paragraph 1 (a).

Governmental measures imposed to ensure standards of quality and efficiency in the execution of external trade, or privileges granted for the exploitation of national natural resources but which do not empower the government to exercise control over the trading activities of the enterprise in question, do not constitute "exclusive or special privileges". The Belgian Delegation reserved its position on this note.

Sub-paragraph 1 (b).

A country receiving a "tied loan" is free to take this loan into account as a "commercial consideration" when purchasing requirements abroad.

Paragraph 2.

The term "goods" is limited to products as understood in commercial practice, and is not intended to include the purchase or sale of services.