Article 28: Undertaking regarding Stimulation of Exports of Primary Commodities

Any subsidy which operates directly to maintain or increase exports of a primary commodity must not be applied in such a way as to give the Member more than an equitable share of world trade in the commodity.

The Organization must be notified promptly of any such measures, and the Member must be prepared to consult with other Members whose interests are seriously prejudiced. Should no agreement be reached between the Members, the Organization will determine what constitutes an equitable share of the trade for the Member employing the subsidy, and in doing so shall have regard to any factors affecting the trade, including those specified in the Article.

Section D.—State Trading and Related Matters (Articles 29–32)

The purpose of this Section is to establish rules to bring State trading activities, as far as practicable, into line with the conditions applying under the Charter to private trading. This provision is regarded as essential having regard to the extent to which import and export trade is undertaken by Governments not only by Departments of Governments, but also by governmental agencies. The fundamental principle underlying the provisions is non-discrimination. Purchases and sales are required to be made solely in accordance with commercial considerations.

Imports solely for governmental purposes and not for commercial resale or for use in the production of goods for resale do not fall under the provisions.

Sales or purchases made or controlled by Marketing Boards, Commissions, and similar organizations established by Members are covered by the provisions.

An endeavour is made to ensure that monopolies operate to expand rather than restrict trade. Accordingly, if a Member maintains a monopoly for exports or imports of any product it must be prepared to negotiate, upon request, with any Members substantially interested, with a view to limiting protection, through the operation of the monopoly, to domestic users or domestic producers, as the case may be. Wherever it is practicable to employ such principle the monopoly is required to import and offer for sale such quantities of the product as may be sufficient to satisfy the demand, due account being taken of any rationing to consumers.

Provision has been introduced in Article 32 to protect the interests of other Members in cases where a Member holding stocks of primary commodities accumulated for non-commercial purposes—*i.e.*, for military