

WORLD TRADE ORGANIZATION

G/STR/N/4/DMA
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**Working Party on
State Trading Enterprises**

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STATE TRADING

New and Full and Updating Notifications Pursuant to Article XVII:4(a) of the GATT 1994
and Paragraph 1 of the Understanding on the Interpretation of Article XVII

DOMINICA

The following communication, dated 8 February 2001, has been received from the Office of the Ambassador for the Commonwealth of Dominica.

Pursuant to Article XVII:4(a) of the GATT 1994 and paragraph 1 of the Understanding on the Interpretation of Article XVII, and in accordance with the decision of the Council for Trade in Goods of 20 February 1995, the Commonwealth of Dominica submits herewith its notification concerning state trading enterprises in accordance with the questionnaire on state trading.

1. Enumeration of State Trading Enterprises

Dominica maintains two state trading enterprises covered by the provisions of Article XVII, namely the Dominica Import Export Agency (DEXIA) and Dominica Banana and Marketing Corporation (DBMC). DEXIA is the sole importer of the following essential commodities: raw cane sugar tariff numbers 1701.11 and 1701.999, bulk parboiled rice tariff number 1006.204 and white rice tariff number 1006.202. The DBMC is the sole purchaser of bananas for export to countries outside of the Caribbean area.

2. Reason and purpose for introducing and maintaining State Trading Enterprises

(a) DBMC

The Dominica Banana Marketing Corporation was established under the DBMC Act 1984 which defines objectives of the corporation as to promote the well being of the banana grower and to ensure the financial viability of the banana industry.

(b) DEXIA

Purpose: to prevent prices to consumers from exceeding certain maximum limits and to ensure regular supplies of essential commodities.

The DEXIA Act No. 14 of 1986 makes provision for the establishment of a corporation to promote the export of agricultural produce and to undertake the import of essential commodities.

3. Description of the functioning of the State Trading Enterprises

(a) DBMC

The Corporation is the sole purchaser of bananas for export to countries outside of the Caribbean area and it shall be the duty of the corporation to:

- (i) Carry on its business operation in a cost effective and commercial manner for the benefit of the banana industry, while bearing in mind the national interest.
- (ii) Take all necessary or desirable measures for the development of the banana industry.
- (iii) Encourage and facilitate the participation of private enterprises in all sectors of the banana industry.
- (iv) Purchase or arrange to have purchased all bananas of non-regional exportable quality produced in Dominica.
- (v) Ensure the most favourable arrangements for the benefit of the industry in connection with the purchase, sale, handling, storing, exporting packing, processing and marketing of bananas.

(b) DEXIA

- The Dominica Export Import Agency is a statutory organization under the auspices of the Ministry of Trade, Industry and Marketing. The Agency is managed by a Board of Directors appointed by the Minister for Trade, Industry and Marketing. The Board has a cross representation of public and private sector membership.

4. Description of the functioning of the State Trading Enterprises

The Agency's import function is restricted to the importation of bulk rice and sugar.

DEXIA

- There are no restrictions on exports. Private traders are encouraged and facilitated by DEXIA, to export fresh agricultural, agro-processed and manufactured products.

DEXIA is the sole importer of bulk rice tariff numbers 1006.202 and 1006.204 and raw cane sugar tariff numbers 1701.11 and 1701.999, designated essential commodities. There is free competition among private traders in packaged rice and icing sugar.

The quantities imported are based on previous years consumption and or estimated demands.

The mark-up on imported products is determined by projecting an annual gross margin that will accommodate the administrative and operating cost of DEXIA's operations, given the contracted prices on commodities for the following financial year.

The two (2) commodities handled by DEXIA are not produced locally. In that regard it is not possible to make a comparison between the resale prices of imports with domestic prices.

- Long-term contracts are negotiated by DEXIA for the supply of these commodities. Tenders are issued for the purchase of these essential commodities.

5. Statistical information

Commodity	1999		1998		1997	
	Quantity	Value (\$)	Quantity	Value (\$)	Quantity	Value (\$)
Brown sugar	30,000	1,971,324	31,000	2,081,133	29,000	1,892,830
White sugar	26,000	1,561,833	25,200	1,687,680	24,460	1,832,090
Parboiled rice	12,135	1,102,093	13,865	1,278,140	12,225	1,221,767
White rice	7,725	484,178	6,798	450,25	7,023	472,156
