



STATE TRADING

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVII.4(A) OF THE GATT 1994 AND PARAGRAPH 1 OF THE UNDERSTANDING ON THE INTERPRETATION OF ARTICLE XVII

ECUADOR

The following communication, dated 18 May 2018, is being circulated at the request of the delegation of Ecuador.

I. ENUMERATION OF STATE TRADING ENTERPRISES

A. Identification of state trading enterprises

The state trading enterprise is the National Warehousing Unit (UNA EP).

B. Description of products affected (including relevant tariff item number(s))

The National Warehousing Unit mainly handles yellow flint maize, rice and cereals.

II. REASON AND PURPOSE

A. Reason or purpose for establishing and/or maintaining state trading enterprise

The National Warehousing Unit is chiefly responsible for the temporary warehousing and domestic marketing of agricultural products, in particular yellow flint maize, rice and cereals, the management of strategic food reserves, and support for the marketing and distribution of inputs. Its activities are geared towards implementing the food sovereignty mandate enshrined in the Constitution. In practice, this enterprise plays a part – a significant part – in low and high volume domestic marketing.

B. Summary of legal basis for granting the relevant exclusive or special rights or privileges, including legal provisions and summary of statutory or constitutional powers

- Constitution of the Republic of Ecuador, Articles 281 and 315 (Food Sovereignty Regime and Establishment of State-Owned Enterprises);
- Organic Law on the Food Sovereignty Regime (LORSA);
- Organic Law on State-Owned Enterprises;
- Executive Decree No. 12 of 30 May 2013; and
- Executive Decree No. 821 of 17 November 2015.

III. DESCRIPTION OF THE FUNCTIONING OF THE STATE TRADING ENTERPRISE**A. Summary statement providing overview of operations of the state trading enterprise**

The National Warehousing Unit is an enterprise which focuses – exclusively – on support for the domestic marketing of agricultural staples for food sovereignty purposes, the management of temporary warehousing, and transport and marketing of the harvest. The agricultural commodities in question are purchased from small producers at domestic market prices.

B. Specification of exclusive or special rights or privileges enjoyed by the state trading enterprise

Not applicable.

C. Type of entities other than the state trading enterprise that are allowed to engage in importation/exportation and conditions for participation

Not applicable.

D. How import/export levels are established by the state trading enterprise

Not applicable.

E. How export prices are determined

Not applicable.

F. How the resale prices of imported products are determined

Not applicable.

G. Whether long-term contracts are negotiated by the state trading enterprise. Whether the state trading enterprise is used to fulfil contractual obligations entered into by the government

The National Warehousing Unit does not negotiate long-term contracts, nor is it used to fulfil contractual obligations entered into by the government.

H. Brief description of market structure

There are various companies providing warehousing and marketing services for agricultural products. The UNA EP is a state-owned enterprise that has entered into competition with the other firms under normal market conditions, and it accounts for 21% of the country's total warehousing capacity, including that of the private sector (700,000 t/year).

IV. STATISTICAL INFORMATION (SEE TABLES I TO III ATTACHED)**V. REASON WHY NO FOREIGN TRADE HAS TAKEN PLACE (AS APPROPRIATE)**

The National Warehousing Unit has not participated in the export or import of these commodities. However, other operators have been recorded as engaging in foreign trade operations involving the products handled by the UNA EP.

VI. ADDITIONAL INFORMATION (AS APPROPRIATE)

Not applicable.

TABLE I

STATE TRADING: NATIONAL WAREHOUSING UNIT

STATISTICAL INFORMATION, IMPORTS

Description of product(s) (including HS number(s))	Crop year	Total quantity imported ¹ (tonnes)	Quantity imported by state trading enterprise ¹	Average import price (US\$/t) (1)	Average representative domestic sales price (US\$/tonne)	Mark-up ² (2)	National production (MT)
Yellow flint maize	2015	32,954	0	n/a	221	n/a	1,734,000
Yellow flint maize	2016	63,398	0	n/a	202	n/a	1,319,000
Rice	2015	193	0	n/a	1,406	n/a	1,786,000
Rice	2016	95	0	n/a	1,386	n/a	1,715,000
Cereals	2015	39	0	n/a	728	n/a	11,681
Cereals	2016	00	0	n/a	n/a	n/a	8,517

(1) Not applicable, the State trading enterprise does not engage in importation.

(2) Not applicable, the State trading enterprise does not engage in importation.

¹ In cases where no exports have taken place under columns 2 or 3, provide an explanation under Section V of this questionnaire.

² Members may report either under columns 4 and 5 or under column 6.

TABLE II

STATE TRADING: NATIONAL WAREHOUSING UNIT

STATISTICAL INFORMATION, EXPORTS

Description of product(s) (including HS number(s))	Crop year	Total quantity exported³ (tonnes)	Quantity exported by state trading enterprise¹	Average procurement price⁴ (US\$/tonne) (1)	Average representative domestic sales price (US\$/tonne)	Average export price (2)	National production (tonnes)
Yellow flint maize	2015	106	0	n/a	410	n/a	1,734,000
Yellow flint maize	2016	22	0	n/a	1,146	n/a	1,319,000
Rice	2015	1,112	0	n/a	909	n/a	1,786,000
Rice	2016	207	0	n/a	1,095	n/a	1,715,000
Cereals	2015	1,438	0	n/a	3,850	n/a	11,681
Cereals	2016	1,771	0	n/a	2,707	n/a	8,517

(1) Not applicable, the State trading enterprise does not engage in exportation.

(2) Not applicable, the State trading enterprise does not engage in exportation.

³ In cases where no exports have taken place under columns 2 or 3, provide an explanation under Section V of this questionnaire.

⁴ In cases where the initial procurement price is augmented by other payments, additional payments should also be reported.

TABLE III

STATE TRADING: NATIONAL WAREHOUSING UNIT

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES

Description of product(s) (including HS number(s))	Crop year	Domestic purchases by state trading enterprise (tonnes)	National production (tonnes)	Domestic sales by state trading enterprise (tonnes)	National consumption (tonnes)
Yellow flint maize	2015	61,248	1,734,000	181,941	1,500,000
Yellow flint maize	2016	16,823	1,319,000	133,694	1,500,000
Rice	2015	141	1,786,000	3,457	815,000
Rice	2016	15,869	1,715,000	1,017	835,375
Cereals	2015	2,082	11,681	7,819	9,684
Cereals	2016	7,260	8,517	3,889	7,639