STATE-TRADING ENTERPRISES

Notifications pursuant to Article XVII:4(a)

CZECHOSLOVAKIA

1. Enumeration of State-trading enterprises

The whole foreign trade of Czechoslovakia is carried out exclusively by the following foreign trade corporations:

ARTIA, Foreign Trade Corporation for Import and Export of Cultural Commodities, 30, Ve Smeckach, Praha 1.

CECHOFRACHT, Internation Forwarding and Shipping Corporation, 8, Na prikope, Praha 1.

CEDOK, Czechoslovak Travel Bureau, 18, Na prikope, Praha 1.


CZECHOSLOVAK CERAMICS, Foreign Trade Corporation for Export and Import of Ceramic Ware, 1 V Jame, Praha 1.

CZECHOSLOVAK FILMEXPORT, 28, Vaclavske namesti, Praha 1.

FERROMET, Foreign Trade Corporation for Export and Import of Metallurgical Products, 27, Opletalova, Praha 1.

GLASSEXPORT, Foreign Trade Corporation for Export of Glass, Liberec.

INSPEKTA, Corporation for Superintending of Export and Import Goods, 5, Jindrisska, Praha 1.

JABLONEX, Foreign Trade Corporation for Export of Jablonec Articles, 12, Gottwaldova, Jablonec nad Nisou.
KOOSPOL, Foreign Trade Corporation for Import and Export of Foodstuffs and Agricultural Products, 47, Dukelských hrůz, Praha 7.

KOVO, Foreign Trade Corporation for Import and Export of Precision Engineering Products, 47, trida Dukelských hrůz, Praha 7.


MOTOKOV, Foreign Trade Corporation for Import and Export of Vehicles and Light Engineering Products, 47, Dukelských hrůz, Praha 7.


PRAGOEXPORT, Foreign Trade Corporation for Export and Import of Smallware and Outfitting Articles, 34, Jungmannova, Praha 1.

RAPID, Foreign Trade Publicity Corporation, 9, Washingtonova, Praha 1.

STROJIMPORT, Foreign Trade Corporation for Import and Export of Machines and Industrial Plants, 1, Václavské náměstí, Praha 1.

TECHNOEXPORT, Foreign Trade Corporation for Export of Complete Industrial Plants, 56, Václavské náměstí, Praha 1.


UNICOOP, Cooperative Export and Import Corporation of the Central Cooperative Council, 6, Tesnov, Praha 1.
2. **Reason and purpose for introducing and maintaining the State-trading enterprises**

One of the main features of the social and economic system in Czechoslovakia is that practically all the means of production are in the hands of the whole society. As a consequence thereof foreign trade of Czechoslovakia is organized as a State-trading monopoly. It means that only certain specialized corporations enumerated above are authorized by the State to trade with foreign countries.

The purpose of the State-trading system is to assure the fulfilment of the State plans of development of the Czechoslovak national economy which set out the means for the achievement of its main objectives, i.e. the rising of the general level of production and of standard of life, in proportions best suitable for this purpose.

The relevant legal provisions have been included in document L/784/Add.1.

3. **Description of the functioning of the State-trading enterprises**

Foreign trade corporations are responsible for concluding commercial transactions and creating commercial prerequisites for their materialization. Each corporation deals in exports and/or imports of a particular sector of the economy and has an exclusive right to export and/or import the commodities of this sector. No other traders, private or public, are allowed to import and/or export these commodities.

Foreign trade corporations are, legally and financially, independent corporations, solely authorized to conduct trade with foreign countries within the scope of their field of activity. They act under their own name and have at their disposal funds which are their own property. Foreign trade corporations are large enterprises which, in their respective sphere of activity, trade with Czechoslovakia's entire production designed for export, on the one hand, and import everything it requires on the other.

The minimum quantities to be exported and imported are fixed by the foreign trade plan for each year. On the import side the plan indicates the quantities or values of individual commodities or groups of commodities to satisfy the needs of the whole economy, covering the interests of consumers as well as the requirements of the production and investments. Exports have to provide first of all payment facilities to cover the needs for imports. In carrying out imports within the framework of the plan and within their existing payment abilities the corporations do not need any import or exchange licences, and they are free to choose their sources of supply according to their commercial considerations.

Among the main criteria taken into consideration by foreign trade corporations when negotiating concrete business transactions within the framework of the foreign trade plan are the prices, range of goods, quality, terms
of delivery, payment, credit, insurance, etc. offered by the foreign firm, prospects of stable relations, question of transport and similar costs, as well as all other commercial considerations. Like every commercial undertaking, the foreign trade corporation tries to obtain the most favourable conditions. The matter of prices and other commercial conditions is the result of bargaining and agreement between partners who take into account both competitive and world prices as well as the prevailing conditions relating to the merchandise concerned.

As far as foreign trade prices are concerned, foreign trade corporations adhere to the principle of world prices for comparable merchandise, i.e. it is up to the foreign trade corporation not to sell under comparable conditions for lower prices than those of the competitors on the respective market, and similarly in respect to import, not to pay under comparable conditions prices exceeding those of the competitors.

The foreign trade corporations themselves determine individual export prices for the goods they export, according to commercial considerations and to the general rule to sell at world market prices, taking into account differences in conditions and terms of sale. Because all internal prices are fixed by the State on the basis of considerations different from those valid for exports, there is no direct and automatic link between export prices and prices for domestic consumption.

No mark-up on imported products is being determined. All imported goods are sold on the domestic market for the same prices as goods of the same kind produced domestically.

State-trading corporations are negotiating long-term contracts whenever advisable. As there are no other than State-trading methods to carry out trade, no other methods could be used to fulfil contractual obligations entered into by the government.

4. Statistical information

State trading in Czechoslovakia embraces the whole of the Czechoslovak foreign trade. Total trade and production statistics for 1961 and 1960, as well as for the previous years are deposited in the library of the secretariat.

5. Reason why no foreign trade has taken place (if this is the case) in the products affected

In view of the foregoing the question is not applicable.

6. Additional information

No additional information seems to be required at this stage.