STATE-TRADING ENTERPRISES

Notifications Pursuant to Article XVII:4(a)

Addendum

CZECHOSLOVAKIA

I. Enumeration of enterprises of the kind described in paragraph 1(a) of Article XVII

The whole foreign trade of the Czechoslovak Socialist Republic is carried out exclusively by the following Foreign Trade Corporations:

ARTIA, Foreign Trade Corporation,
30, Ve Smečkách, Praha 1.

CENTROTEX, Foreign Trade Corporation,
47, Třída dukelských hrdinů, Praha 7.

CHEMAPOL, Foreign Trade Corporation,
9, Panská, Praha 1.

CZECHOSLOVAK CERAMICS, Foreign Trade Corporation,
1, V Jámě, Praha 1.

FERROMET, Foreign Trade Corporation,
27, Opletalova, Praha 1.

FILMEXPORT,
34, Jindříšská, Praha 1.

GLASSEXPORT, Foreign Trade Corporation,
52, U1. 1. máje, Liberec.

INSPEKTA, Corporation for Superintending of Export and Import Goods,
1, V Jámě, Praha 1.

1 Last previous notification in L/1949/Add.6
JABLONEX, Foreign Trade Corporation,
12, Gottwaldova, Jablonec nad Nisou.

KOOSPOL, Foreign Trade Corporation,
47, Dukelských hrdinů, Praha 7.

KOVO, Foreign Trade Corporation,
47, Dukelských hrdinů, Praha 7.

LIGNA, Foreign Trade Corporation,
41, Vodičkova, Praha 1.

METALIMEX, Foreign Trade Corporation,
34, Štěpánská, Praha 1.

MOTOKOV, Foreign Trade Corporation,
47, Dukelských hrdinů, Praha 7.

OMNIFOL, Foreign Trade Corporation,
11, Washingtonova, Praha 1.

PRAGOEXPORT, Foreign Trade Corporation,
34, Jungmannova, Praha 1.

STROJIMPORT, Foreign Trade Corporation,
1, Václavské náměstí, Praha 1.

TECHNOEXPORT, Foreign Trade Corporation,
56, Václavské náměstí, Praha 1.

TRANSAKTA, Foreign Trade Corporation,
Commercial Transaction Agency,
11, Na můstku, Praha 1.

UNICOOP, Cooperative Export and Import Corporation,
6, Těšnov, Praha 1.

To the end of December 1965 the establishment of the following new foreign trade enterprises has been announced to become effective on 1 July 1966:

EXICO, Foreign Trade Corporation, Prague
INVESTA, Foreign Trade Corporation, Prague
MERCURIA, Foreign Trade Corporation, Prague
ŠKODAEXPORT, Foreign Trade Corporation, Prague
II. Reason and purpose for introducing and maintaining
State-trading enterprises

The development of the Czechoslovak economy is based on the general (national)
epic plan which sets out the means for the achievement of its main objectives,
i.e. the rising of the general level of standards of living of the whole population,
in proportions found best suitable for this purpose, utilizing to this end the
economic law of value and its instruments (prices, credits, interests, etc.).
In the field of foreign trade the plan is carried out by special enterprises
which have the exclusive right to import and export commodities within their
delimitation.

The relevant legal provisions have been included in document L/784/Add.1
and are on the file of the secretariat. No material change has been made in these
provisions since then.

III. Description of the functioning of the notified enterprises

The enterprises mentioned in paragraph I deal with exports as well as with
imports in the field of their delimited commodities. As each foreign trade
corporation has an exclusive right to export and import the commodities within
its delimitation, no other persons are allowed to import or export these
commodities (with the exception of non-commercial exports or imports). Foreign
trade in commodities manufactured by co-operatives with co-operatives abroad may,
however, also be effected through the co-operative corporation UNICOOP. There
are no private traders in Czechoslovakia.

The quantities to be imported have to satisfy the needs of the whole economy,
covering the interests of consumers, as well as the requirements of the production
and investments. The fulfilment of this task is assured by the plan of external
trade. This plan includes on the import side minimum quantities for certain most
essential products, and indicative figures for other commodities or groups of
commodities, which have, however, no binding force. The overall figure for the
whole of imports is a maximum figure but more favourable results of exports may
create a possibility for a corresponding increase of the import plan. In carrying
out imports in the framework of the plan and within their planned financial
resources the foreign trade enterprises do not need any import or exchange licences,
and they are free to choose their foreign sources of supply according to their
commercial considerations.

The export plan comprises only indicative figures and has to assure the most
effective participation of the Czechoslovak economy and of its production in the
international division of labour, and to secure payment facilities to cover the
needs for imports, as well as other financial obligations.
The foreign trade enterprises are free to determine individual export prices for 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 the majority of domestic prices, including the prices for the most important commodities, are fixed by the State owing to considerations different to those valid for exports, there is so far no direct link between export prices and prices for domestic consumption. Export prices do not comprise the general turnover tax which is imposed on goods for domestic consumption.

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

The foreign trade enterprises negotiate long-term contracts where advisable and feasible. As there are no other methods to carry out trade, the described methods and channels are also being used in cases of purchases for governmental purposes.

IV. Statistical information

The described method of trading embraces the whole of Czechoslovak trade. Trade and production statistics for 1962, 1963 and 1964 covering all products are on the file of the secretariat.

V. Additional information

A new system of planning and management of the Czechoslovak economy is being introduced gradually beginning from autumn 1965. Its principal aim in the field of external trade is to bring the production and the internal market into closer contact with the world market so as to achieve a more effective participation of the whole of the Czechoslovak economy in the international division of labour. The respective measures to be taken to this end will be notified after having been introduced, in so far as possible changes of the described system of the actual organization of Czechoslovak foreign trade and of the respective legal provisions are involved.