Article 31

Non-Discriminatory Administration of State-Trading Enterprises

1. If any Member establishes or maintains a state enterprise, wherever located, which imports, exports, purchases, sells, or distributes any product, or if any Member grants exclusive or special privileges, formally or in effect, to any enterprise to import, export, purchase, sell, distribute, or produce any product, then exercises effective control over the trading operations of such enterprise, the commerce of other Members shall be accorded treatment no less favourable than that accorded to the commerce of any country other than that in which the enterprise is located in respect of the purchase or sale by such enterprise of any product. To this end such enterprise shall, in making its external purchases or sales of any product, be influenced solely by commercial considerations, such as price, quality, marketability, transportation and other terms of purchase or sale and also any differential customs treatment maintained consistently with the other provisions of this Charter. The Member maintaining such state enterprise, or granting exclusive or special privileges to an enterprise shall make available such information as may be appropriate in connection with the consultation provided for in Article 35, provided that no Member shall be required to disclose information which would hamper the commercial operations of such a state-trading organization.*

* The Drafting Committee agreed to delete the proviso to paragraph (6) of Article 26 in view of the fact that it considered it to be covered by Article 31 as now drafted.
2. The provisions of paragraph (1) relating to purchases or imports by state enterprises shall apply to purchases or imports of products for re-sale. With respect to purchases or imports by state enterprises of products for governmental use and not for re-sale, Members shall accord to the commerce of other Members fair and equitable treatment, having full regard to all relevant circumstances.

3. This Article shall apply to any enterprise, organ or agency in which there is effective control by a Member government or over which such a government is in a position to exercise effective control by virtue of the special or exclusive privileges granted to the enterprise.