GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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QUESTION OF NATIONALIZED ENTERPRISES

Addendum

Note from the Delegation of Switzerland

The following note has been received from the delegation of Switzerland by letter dated 26 March 1984.

At the last meeting of the Committee on Government Procurement, some delegations invited Switzerland to present a definition of the term "nationalized enterprises".

For this exercise, it would appear useful to choose a definition as broad as possible in order to cover the largest possible number of enterprises whose purchase policy can be influenced by the State. Accordingly, the definition should include:

- 1. Enterprises that are wholly State-owned.
- 2. Enterprises in which the State owns either a majority share of capital or a preponderant share in relation to the other co-owners.
- 3. Enterprises in which the State owns only a limited share (minority or accessory holding) but in whose management it intervenes directly for other reasons (inter alia, statutory reasons).

In addition, the exercise should cover State-trading enterprises in terms of Article XVII of the General Agreement, i.e. enterprises to which the State has granted exclusive or special privileges.

The above definition is only a first approach intended to facilitate starting the enquiry suggested by Switzerland. It would be useful if the enquiry itself were to yield more detailed information on the various types of enterprises so that the Committee could then adapt and, where necessary, clarify the definition of nationalized enterprises or the coverage of further action in this area.