

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

GPR/W/59

6 July 1984

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Committee on Government Procurement

## ARTICLE IX:6(b) NEGOTIATIONS

### Information concerning rules of origin and the treatment of high-priced bids

#### Note by the secretariat

1. At its meeting held on 20 June 1984 the Committee agreed that replies from the Parties to the following questions should reach the secretariat by 15 July 1984 and that the secretariat should compile the replies for the next meeting.

#### I. Rules of Origin

- (a) What origin rules are presently applied by the Parties in the context of government procurement?
- (b) How do the Parties treat products originating in non-Parties to the Agreement?

#### II. Treatment of High-Priced Bids

- (a) What are the modalities in national laws and practices to deal with situations in which all bids are regarded by an entity as unreasonably high?

2. The delegation of Sweden has submitted its replies by letter dated 26 June 1984. It is reproduced hereunder. Replies from other Parties will be issued as Addenda to this document.

## REPLIES BY SWEDEN

#### I. Rules of Origin

(a) No national legal statutes on rules of origin exist in Sweden other than for the purposes of origin marking of clothing, goods subjected to import and export restrictions and the collection of trade statistics. Separate rules of origin apply for the purpose of determining preferential treatment within the framework of the Swedish GSP system and the Free Trade Agreement with the EC and within the EFTA framework. (Protocol No.3 to the FTA between Sweden and the EC and Annex B to the EFTA Convention). Thus no rules of origin exist for the single purpose of government procurement.

(b) Products originating in non-Parties to the Agreement are given non-discriminatory treatment under the Swedish Government Procurement Ordinance.

II. Treatment of High-Priced Bids

(a) Entities shall accept the tender which, having regard to all the commercial circumstances, can be regarded as the most advantageous. If all the tenders quote too high a price, or if they are otherwise disadvantageous, or if there are grounds for not carrying out the procurement, the agency may reject all the tenders. These are the general rules contained in Article 15 of the Swedish Government Procurement Ordinance (circulated in GPR/3/Add.2/Suppl.2). There is no set system for determining high-priced bids or for deciding on other commercial factors that could be the basis for rejection of a bid.