

GENERAL AGREEMENT ON

RESTRICTED

GPR/M/37

12 September 1990

TARIFFS AND TRADE

Special Distribution

Committee on Government Procurement

MINUTES OF THE MEETING HELD ON 29 JUNE 1990

Chairman: Mr. Nils-Erik Schyberg (Sweden)

1. The following agenda was adopted:

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(ii) responses from the United States to questions from Canada and Japan concerning 1987 statistics;	
(iii) further meetings.	

A. Article IX:6(b) negotiations

1. The Chairman reported that the Informal Working Group on Negotiations had met on 26-28 June 1990. It had discussed all elements which could constitute a possible overall agreement.

B. Accession of further countries to the Agreement

2. The Chairman noted that at its meeting on 9 March 1990, the Committee had welcomed the decision by the Government of the Republic of Korea to accede to the Agreement.

3. The representative of Korea confirmed his Government's decision to accede to the Agreement and informed the Committee that it had presented the initial offer list to the Director-General on 25 June 1990. He noted

that it contained 37 purchasing entities composed of 35 central administration agencies, the Korean Telecommunication Authority and the Korean National Housing Corporation. On the basis of 1989 figures, the total amount of the prospective concession, excluding the amount of procurement in the exceptions clause, was estimated to be \$572 million. His delegation believed that the reason why there were so few developing country signatories was that the threshold for accession was too high for many of them.

4. The representative of the European Economic Community welcomed the presentation of the Korean offer list. His delegation would examine it closely and reserved its rights to come back to it at a later time.

5. The representative of the United States also welcomed the Korean submission and looked forward to working with the Korean delegation towards accession as rapidly as possible in a manner which would complement the offers of other developed countries in the Committee.

6. The representative of Canada noted his delegation's appreciation for the speed with which the Republic of Korea had followed through on its intention to join the Agreement and expressed the hope that when the discussions would be concluded, the Committee could rapidly welcome the Republic of Korea as a full member of the Agreement.

7. The representative of Sweden, on behalf of the Nordic countries, also welcomed the list submitted by the Korean delegation and looked forward to examining it closely, and to coming back with comments or requests if necessary. He supported the point made by the Korean delegation regarding the low number of signatories to the Agreement and, in that regard, noted his delegation's belief that broadening it with regard to new members was an essential goal for the work of the Committee. His delegation hoped that the Korean initiative would be an example for other countries who wished to join.

8. The representative of Austria also welcomed the Korean submission and would examine it closely with a view to come back to it at a later stage.

9. The representative of Singapore welcomed the statement by the Korean delegation and expressed her delegation's hope that the procedures for accession would be completed as rapidly as possible. Her delegation shared the concerns expressed by the Korean delegation regarding the limited participation of developing countries in the Agreement and would hope to see efforts made to facilitate further accession of developing countries to it.

10. The representative of Hong Kong also welcomed the statement by the Korean delegation and looked forward to a smooth and successful accession procedure for Korea which would encourage other contracting parties to the General Agreement to join the Agreement.

11. The representatives of Japan and Switzerland also welcomed the Korean submission and looked forward to its examination.

12. The representative of Korea expressed his delegation's appreciation for the comments made by the representatives. He reminded the Committee that his delegation was prepared to hold consultations with Parties on the terms of accession and that its permanent mission in Geneva would be at their disposal in this regard.

13. The Chairman made reference to the procedures described in GPR/M/1, Annex II, and in GPR/M/7, Annex I. The Committee took note of the statements made.

C. 1988 Statistical review

14. The representative of the United States stated that her delegation had submitted questions to Hong Kong, Singapore, Austria, Canada, Sweden, and Finland and hoped to have responses in writing at a later date.

15. The representative of Canada acknowledged receipt of the questions from the United States and stated that his delegation would respond as expeditiously as possible. He asked when the Committee could expect to receive missing statistics from the United States, the European Economic Community, and the Nordic countries.

16. The statistical expert from the European Economic Community stated that his delegation had submitted preliminary statistics for 1988 which showed a substantial improvement from 1987; any future revisions to the figures would be in an upward direction. He noted that the EEC was in the process of improving their statistics and that they expected a further substantial improvement in nominal terms in 1989.

17. The representative of Sweden, on behalf of the Nordic countries, stated that all the Nordic countries had submitted statistics for 1988.

18. The representative of the United States stated that her delegation had submitted their 1988 statistics the previous day. She noted that there were some minor procurement agencies which were not included in the report because of reprogramming requirements in the automated reporting system. She added that when the figures were complete, they would be revised again, but her delegation did not expect any substantial change in the statistics. She added that her delegation was very interested in the improvements reported by the EEC and would like a more detailed explanation as to what these improvements were and how they were arrived at.

19. The Chairman noted that statistics for Japan, Switzerland, Israel, and Norway had also been circulated and asked if there were any questions on these statistics.

20. The representative of the United States noted that additional questions to these countries would be forthcoming.

21. The Committee took note of the statements made and agreed to postpone discussion of this item until the next meeting.

D. Uniform classification system for statistical purposes

22. The representative of Canada introduced his delegation's submission which followed upon the discussions at the last Committee meeting and the document submitted by his delegation last year which concluded that the harmonized system was not the most practical alternative to the present system. His delegation's expert examination of the Customs Cooperation Council Nomenclature, the Standard International Trade Classification, and the UN Central Products Classification, had determined that the latter was the best alternative for the purposes of the Committee. His delegation hoped that this contribution would facilitate the discussion and the work in this area.

23. The Chairman noted that, upon request, the Secretariat had recirculated, for information, a paper entitled International Standard Industrial Classification of all Economic Activity.

24. The statistical expert of the European Economic Community stated that his delegation supported the Canadian view that, despite a number of limitations, the Central Products Classification appeared to be the most appropriate system for statistical reporting. The EEC foresaw no major difficulties in transposing the present NIPRO headings to CPC divisions. He added that the CPC also covered services and that the EEC statistical office was presently developing an EEC version of the CPC in which they would ensure that the particular problems of public procurement would be taken into account.

25. The representative of the United States stated that her delegation also found the Canadian paper useful. She asked the delegations of Canada and the EEC what level of division they believed appropriate for use by the Committee. In a preliminary look at the CPC, her delegation found a large gap between the 39 divisions at the two-digit level and the 291 divisions at the three-digit level. She noted that the two-digit level would not be a great improvement over the present system while the three-digit level seemed excessive. She suggested that the Committee devise an alternative by dividing areas of particular interest to the Committee into more detailed categories.

26. The statistical expert of the European Economic Community stated that, in his view, the CPC could only feasibly be utilized at the two-digit level but reserved their final view on this question.

27. The representative of Canada supported the statement by the EEC and also reserved their final view on this question.

28. The representative of Sweden, on behalf of the Nordic countries, thanked the Canadian delegation for their submission and added that his delegations would have to study it further in order to give a final position. With regard to the number of categories, the Nordic countries were reluctant to increase the number of categories for statistical reporting because this might pose too high an administrative burden for the entities.

29. The representative of Austria also thanked the Canadian delegation for its submission. He added that his delegation would have to study it further and reserved their rights to come back to it at a later time.

30. The Committee took note of the statements made and agreed to revert to this matter at the first meeting in 1991 when the Secretariat would be able to compile an analytical report of the proposals which had been made.

E. Implementation and administration of the Agreement

31. The Committee accepted a modification to an entry in Annex I of the United States entity list contained in document GPR/56 and Corr.1.

F. Third major review of Article III

32. The representative of Singapore asked that serious consideration be given to the Indian proposal with respect to the procedures for accession. Her delegation believed that the procedures for accession to the Agreement were more onerous than the procedures for accession to the General Agreement. She asked for an exchange of views on this proposal because her delegation believed it would be one way to facilitate accession to the Code for developing countries.

33. The representative of the European Economic Community stated that by giving non-Parties better knowledge of their own procurement systems, they would be able to make more appropriate requests under the special and differential treatment provisions of the Agreement.

34. The observer of India stated that his proposal reiterated the view that the terms of accession to the Agreement on Government Procurement were more onerous than those of the General Agreement. He believed that his proposal had not been seriously considered in the Committee and asked for reactions to it.

35. The representative of the United States stated that these issues had already been discussed at length in an informal meeting of the Negotiating Group on MTN Agreements and Arrangements. He did not believe that any purpose would be served by repeating this discussion. The view that the terms of accession to the Agreement on Government Procurement were more onerous than those of the General Agreement was an assessment that his delegation did not accept.

36. The Committee took note of the statements made.

G. Other business:

(i) Work in the Negotiating Group on MTN Agreements and Arrangements;

37. The Chairman recalled that since the last meeting of the Committee, informal consultations had been held under the auspices of the Negotiating Group on MTN Agreements and Arrangements on 21 May and 26 June 1990. The report to the NG8 gave a detailed account of what had been said at the May meeting and was summarized in MTN.NG8/18, paragraphs 17-26. It had been

agreed that if there were no comments by 6 July 1990 on the text circulated on 26 June, this could be forwarded to the Chairman on the Negotiating Group on MTN Agreements and Arrangements.

- (ii) Responses from the United States to questions from Canada and Japan concerning its 1987 statistical review;

38. The Committee took note of the answers submitted by the United States to questions by the delegations of Canada and Japan.

- (iii) Further meetings

39. The Committee noted that the Informal Working Group on Negotiations had agreed to meet on 1-3 August 1990 and that it had set aside the following dates for further meetings 1-4 October, and 5-9 November 1990. The Committee set aside 5 October 1990 for its own next meeting.