

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

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### COMMUNICATION FROM THE EUROPEAN COMMUNITY

The following questions regarding the United States 1990 Statistical Report have been received from the delegation of the European Communities, with the request that they be distributed to the members of the Committee.

1. The United States reports an overall decrease of 6 per cent (SDR 840 million) in above-threshold procurement over that reported in 1989.

This decrease appears to be largely attributable to a fall in covered procurement by the following agencies:

<u>Agency</u>		<u>Decrease in Covered Procurement</u>
Dept. of Defense	-	SDR 984 million
DHHS	-	SDR 225 million
Dept. of Interior	-	SDR 49 million
Dept. of Transportation	-	SDR 45 million
Dept. of State	-	SDR 30 million
Dept. of Commerce	-	SDR 29 million

While these decreases have been partly offset by increases in covered procurement by the Smithsonian institution, Dept. of the Treasury and NASA, the overall decrease of 6 per cent continues a trend apparent since 1985 in the reported US above-threshold figures, which has seen covered procurement drop by 30 per cent over that five-year period.

In view of the fact that other parties, notably the EC and Japan, show substantial increases in covered procurement over the same period, could the US authorities explain the underlying reasons for this continuing downward trend?

2. The Dept. of Defense reports a 10 per cent drop in above-threshold procurement amounting to almost SDR 1 billion.

This appears to be largely accounted for by a fall of 72 per cent in covered procurement of miscellaneous articles.

(a) Could the US authorities please give a brief explanation for this substantial decrease?

In addition, DOD reports decreases in covered procurement of agricultural products and special industrial machinery of 99 per cent and 55 per cent respectively. This continues a trend apparent in their reports over the past four-five years:

(b) Could the US authorities provide an explanation for this downward trend in these product categories?

3. The General Services Administration reports a 90 per cent drop in above-threshold procurement of medical equipment over that reported in 1989.

Could the US authorities explain please?

4. The Department of Health and Human Services reports a 94 per cent drop in covered procurement over that reported in 1989. This continues a downward trend apparent since 1987 (broken only in 1989 by a particularly large purchase of medical products).

Could the US authorities please provide an explanation for this decrease?

5. The Smithsonian Institution reports one large purchase of Scientific Instruments for SDR 229 million. This purchase was effected through a single-tendering procedure.

Could the US authorities provide details of this procurement?

6. The Dept. of the Interior and the Dept. of State report a drop in covered procurement of 80 per cent and 54 per cent respectively.

Again, could the US authorities please provide a brief explanation?