

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Government Procurement

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ISSUES WHICH MIGHT BE RAISED IN THE CONTEXT OF THE NEGOTIATIONS FORESEEN BY ARTICLE IX:6(b) OF THE AGREEMENT

Communication from the Delegation of Canada

The following communication, dated 22 June 1982, has been received from the delegation of Canada.

In connection with the informal agreement reached on 3 February 1982 that Parties who wished could submit a list of subjects for discussion at the July meeting, the Canadian delegation wishes to put forward the following subjects for discussion and possible inclusion in a "Work Programme" in preparation for the Article IX:6(b) negotiations.

A. Non-covered entities

The actual coverage of the agreement is quite limited in scope with, for example, only some 15 per cent to 20 per cent of governments' goods purchases covered (exclusive of the threshold). The Committee should give consideration to increasing this proportion possibly through the inclusion of entities which purchase, inter alia, telecommunications, power generation and transmission, and ground transportation (particularly urban mass transit) equipment.

B. Services

Although government procurement of services has increased rapidly during the last decade, little is known about the extent and characteristics of government procurement of internationally traded, or tradeable services. It would be timely for the Committee to begin exploring the possibilities of including services under the coverage of the Agreement in accordance with Article IX:6(b). In this regard, identification of internationally traded, or tradeable services purchased by governments and of purchasing procedures and practices currently in effect would be a useful first step.

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C. Leasing

The Committee should give consideration to the potential significance of this loophole for circumvention of the Agreement.

D. Elimination of specific derogations

Several signatories have reserved their rights to maintain specific programmes despite the fact that the Agreement does not make provisions for specific derogations. Such limitations on coverage could be used to circumvent the Agreement and their elimination would significantly improve the Agreement.

E. Inclusion of a self-denial clause

The Committee should examine the possibility of adding a self-denial clause to the procedures of the Agreement. Such a clause would require signatories to refrain from directing the purchasing or attaching "Buy National" conditions to the use of their funds by their local or regional governments or by related government entities.