

GENERAL AGREEMENT ON TARIFFS AND TRADE

REPORT (1982) OF THE CHAIRMAN OF THE COMMITTEE ON GOVERNMENT PROCUREMENT

The following report is submitted by the Chairman of the Committee on Government Procurement after having consulted all Parties to the Agreement about its content.

1. The Agreement on Government Procurement entered into its second year of operation on 1 January 1982. On 1 November 1982 the following were Parties to the Agreement and members of the Committee established under it: Austria, Canada, European Economic Community, Finland, Japan, Norway, Singapore, Sweden, Switzerland, United Kingdom on behalf of Hong Kong, and the United States.
2. Twenty-eight contracting parties and two non-contracting parties have observer status. Two international organizations (IMF and UNCTAD) have attended meetings of the Committee in an observer capacity.
3. During the reporting period the Committee has held one regular meeting on 2-3 February 1982 (GPR/M/5; L/5289). The Committee also met on 6 July 1982 without observers to investigate a matter referred to it under Article VII:6 of the Agreement. A further meeting of the Committee is scheduled to take place on 15-17 December 1982.
4. The Committee has taken decisions in the following matters:
 - (a) In February 1982 the Committee reverted to the question of identification of contracts falling under the Agreement and noted that steps had been taken to permit such identification by all Parties (GPR/M/5, paragraphs 62-64 and 88; L/5289, paragraph 6)
 - (b) A modification and compensatory adjustment made pursuant to Article IX:5(b) in respect of the entry in Annex I of the Agreement by the European Economic Community concerning Belgium (GPR/W/13) became effective as of 2 March 1982, as certified by the Director General in the GLI/272- series.
5. The Committee has continued the detailed examination of national laws, regulations and procedures relating to the implementation of the Agreement on the basis of information submitted by Parties in the relevant GPR- series (GPR/M/5, paragraphs 12-53; L/5289, paragraph 4).
6. For the purposes of public notices referred to in Article V:3 of the Agreement, Parties have fixed in their national currencies the threshold of SDR 150,000 laid down in Article I:1(b) in accordance with the procedures adopted in this regard in 1981 (GPR/M/1, paragraph 40 and Annex IV, L/5101, paragraph 8).
7. No specific problems have been raised in the course of 1982 with respect to technical assistance to developing country Parties (Article III:8 and 9) or with respect to special treatment for least-developed countries (Article III:11 and 12). In the course of its

examination of national implementing legislation, the Committee has received further information regarding information centres (Article III:10) (GPR/M/5, paragraph 25; GPR/3/Add.10/Suppl.3).

8. The discussion on procedures for consultations under the Agreement has been pursued, in particular as to whether third Parties should or might be informed by way of notification about such consultations. There was agreement in the Committee that third Parties could not participate in bilateral consultations under Article VII:3 or 4 unless the two consulting Parties agreed (GPR/M/5, paragraphs 68-78; L/5289, paragraph 8).

9. The Committee has continued its discussion of problems related to the scope of the Agreement and agreed to revert to the matter with a view to reaching a consensus on practices which might be considered as falling within the Agreement (GPR/M/5, paragraphs 54-61; L/5289, paragraph 5). Written information has been received from two Parties on their current practices and their views with regard to leasing and similar arrangements (GPR/W/14 and 15); previous submissions or proposals were listed in GPR/W/9/Rev.1

10. The Committee noted in February 1982 that the position of delegations had not changed as to the treatment of taxes and customs duties for the purpose of determining whether a contract falls over or below the threshold of the Agreement (GPR/M/5, paragraphs 65-66; L/5289, paragraph 7).

11. In the context of the preparations for the 38th session of the CONTRACTING PARTIES at Ministerial level in November 1982, the Chairman presented the contribution of the Committee on Government Procurement in July 1982 (GPR/15). This document took up, *inter alia*, the question of further negotiations pursuant to Article IX:6(b), as follows:

"The text of the Agreement provides that, not later than 31 December 1983, the Parties will undertake further negotiations with a view to broadening and improving the Agreement. The text also provides that before that date ("at an early stage"), the Committee will explore the possibilities of expanding the coverage of the Agreement to include service contracts.

The Parties are giving consideration to the question of preparations for the said negotiations. The next meeting of the Committee will be held in November 1982¹, just before the Ministerial Meeting. The Parties to the Agreement may then be in a position to clarify their intentions regarding the objectives and modalities of these negotiations."

12. At its February 1982 meeting the Committee noted that consultations would be held concerning the possible accession of one observer to the Agreement (GPR/M/5, paragraphs 4-11; L/5289, paragraph 3). In the note by the Chairman presenting the Committee's contribution to the GATT Ministerial Meeting "the Parties to the Agreement reiterate their hope that the largest possible number of contracting parties will accede to the Agreement on Government Procurement which has undoubtedly served and continues to serve the objectives of the GATT." (GPR/15).

¹The meeting was subsequently postponed to December 1982.

13. All proposed rectifications pursuant to Article IX:5(a) relating to the Annexes of the Agreement have come into force. These are contained in GPR/12 (which was tabled in 1981) but had not come into force at the time of the (1981) Report, and in GPR/13.

14. The Committee will conduct its second annual review of the implementation and operation of the Agreement at its next meeting in December 1982. The document emanating from the first annual review held in 1981 is contained in GPR/W/9/Rev.1 and Corr.1, which has been derestricted.