

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5822

2 July 1985

Limited Distribution

---

## COMMITTEE ON GOVERNMENT PROCUREMENT

### MEETING OF 19 JUNE 1985

#### Note by the Chairman

1. The Committee met on 19 June 1985.
2. In the Article IX:6(b) negotiations:
  - (i) the Committee received an oral report from the Informal Working Group established at the meeting of 1-2 May 1985 to look into proposals for improvements of the Agreement. In addition to improvements suggested in Committee documents, proposals had also been made in the course of the informal work. The Group had noted that some delegations considered some proposals to belong to or be relevant to areas of the negotiations other than the area of improvements. On this understanding (and in respect of some issues a few additional understandings), texts concerning the following subjects had been accepted on an ad referendum basis, without prejudice to the final position of delegations in the overall negotiations, and would not need to be reverted to by the Group: estimated value/actual value, variety of qualification procedures, publication delays, statistics on the use of single tendering, timing in qualification procedures, separate publication, delivery times, statistics under Article VI:9(b), and statistics on the use of derogations. Proposals on the following matters were presently placed in the category "Non-controversial proposals: leasing, information on the use of single tendering, definition of single tendering and recurring contracts. Proposals concerning the following matters were presently in the category "Proposals that are generally acceptable except for one Party": treatment of options clause, qualification procedures and certain elements of global statics. The remaining matters continued to be controversial proposals or were left aside until precise texts were tabled. It had been noted that some general observations had already been replaced by concrete texts and that some matters might be taken up in the Committee without amending the text of the Agreement. For the sake of transparency, the Committee requested the secretariat to circulate a fourth revision of the "Consolidated List of Suggestions Made for Improvements of the Agreement" (GPR/W/56). Three delegations presented a further textual suggestion which would be incorporated in that revision. The Committee decided that the Informal Working Group should continue its work in pursuance of its present mandate and to

report again to the Committee at its December 1985 meeting. The Chairman stressed the importance of experts attending the Informal Working Group;

- (ii) the Committee noted that three Parties had presented request lists to other Parties concerning broadening of the Agreement. Two Parties stated that they were still considering the tabling of possible requests; the decision would depend on results in the improvements exercise. Two Parties stated that they did not intend to make requests for the moment. One Party stated that it had not yet arrived at a position on the question of broadening of the Agreement;
- (iii) in the area of service contracts, the Committee noted that some studies had been presented since the last meeting both on architectural and consulting engineering, management consulting and freight forwarding. In order to provide a basis for the Committee's work in the autumn, the secretariat was requested to look into the submissions made in order to see what kind of analytical work might usefully be undertaken. Delegations who had not yet done so were invited to table their service studies;
- (iv) the Committee agreed that the agenda and time-table for the finalization of the negotiation be reverted to at the next meeting. The discussions showed divergence of views as to the necessity of all three elements in the negotiations to move forward and be finalized together.

3. As usual, the Committee examined general and specific questions relating to national implementation and administration of the Agreement. A number of questions were taken up. In the course of this examination, the Committee noted in respect of one Party that a proposed compensatory adjustment in terms of Article IX:5(b), and concerning another Party rectifications proposed under Article IX:5(a), had been deemed agreed upon. It agreed that an Article IX:5(b) compensatory adjustment, tabled orally by one Party at the meeting, would be considered agreed upon, provided no objections had been received within thirty days of the written notification.

4. Under a separate agenda item the Committee heard statements by two delegations concerning the procurement of strategic materials for defense stockpiles in one Party.

5. The Committee agreed to set up a working party to examine questions relating to computer procurement practices. The precise terms of reference would be established by the Chairman in consultation with interested delegations. It was agreed tentatively that the Working Party hold its initial meeting in September 1985.

6. One Party proposed a solution to the VAT dispute consisting of unilaterally reducing its threshold by 6.5 per cent. Another Party reserved its right to come back to this proposal after a further analysis of economic effects versus questions of principle.

7. The Committee will meet on 26-27 September and 12-13 December 1985.