

GENERAL AGREEMENT ON

RESTRICTED

L/6238

28 October 1987

TARIFFS AND TRADE

Limited Distribution

Committee on Government Procurement

MEETING OF 16 OCTOBER 1987

Note by the Chairman

1. The Committee met on 16 October 1987.
2. It noted that all but two Parties had accepted the Protocol Amending the Agreement on Government Procurement. Hong Kong stated that it intended to apply the Protocol de facto as of 1 January 1988.
3. Under "Implementation and Administration of the Agreement", the Committee noted that the rectifications and modifications relating to the privatization of Japanese National Railways had become effective as of 19 June 1987, following a communication by the European Economic Community in GPR/40. The Committee was informed by Japan about procedures adopted for the procurement of supercomputers, and by Sweden about a seminar on the Agreement. A number of delegations sought information on the situation of Greece, Portugal and Spain in regard to the Agreement. It was agreed that this information would be provided in due course, and circulated to members of the Committee.
4. The Chairman, on his own responsibility, gave a progress report on the work of the Informal Working Group on Negotiations. This statement is reproduced in Annex 1 to this note. The Committee took note of this report. It also took note of a statement by one Party maintaining a reservation on the target dates in the work programme adopted by the Informal Working Group. This Party stated, inter alia, that additional reservations on the scope and content of the work programme had been withdrawn with reluctance, mainly to demonstrate a willingness to co-operate fully and not to block progress. The concerns, however, still remained. Upon the adoption by the Committee in November 1986, of the Decision on service contracts this Party had recorded as its understanding, inter alia, the need to take fully into account the Ministerial Declaration on the Uruguay Round; it now reiterated its view that negotiations held under any of the MTN Agreements should conform to general principles and guidelines embodied in that Declaration. In relation to the work programme of the Informal Working Group in the area of service contracts, it stated that the question of whether the principles of national and MFN treatment could apply in the area of services generally, was presently being considered by the Negotiating Group on Services, and that this had to be taken into account. It also noted that Article IX:6(b) did not provide for completion of negotiations by a particular date; consequently it envisaged a cautious approach in the area of service contracts.

5. The Committee concluded the review of the 1985 statistics on the understanding that any outstanding statistical questions might be taken up under "Implementation and Administration of the Agreement" at the next meeting. The Committee also noted that the 1984 statistics had become derestricted. The Chairman urged Parties which had not yet done so, to submit their 1986 statistics. The Committee agreed to a suggestion that any written questions and replies be provided to the secretariat for circulation to other Parties prior to each meeting. The Committee discussed proposals for improvements of government procurement statistics and will revert to these and other suggestions made orally, at the next meeting.

6. The Committee adopted the Seventh Annual Report on the Implementation and Operation of the Agreement and the 1987 Report to the CONTRACTING PARTIES, subject to some amendments, and on the understanding that the Parties would have the opportunity to comment on the revised texts prior to these being issued as documents.

7. The request for information by the Negotiating Group on MTN Agreements and Arrangements was discussed. The Committee agreed that the Note by the Chairman, issued in the L/- series of documents after each Committee meeting, as well as the minutes of the meetings, be made available in response to the request. Following an inconclusive discussion on what additional material, if any, should be furnished, the Chairman suggested that this matter be remitted to the next meeting; he undertook to hold informal consultations prior to the meeting with a view to achieving consensus. This was agreed. In the course of the discussion one observer, underlining the usefulness of two-way transparency, drew the attention of the Committee to proposals concerning government procurement which had been tabled by his delegation in the Negotiating Group.

8. The Committee agreed to revert to a request from an international organization for Committee documents, as a separate agenda item at the next meeting. It also agreed to consider questions concerning an updating of the Practical Guide to the Agreement.

9. The Chairman invited the Parties to confirm present Panel candidates or to nominate new candidates for 1988.

10. The Committee discussed national thresholds for 1988/89 in the light of the fact that the Protocol Amending the Agreement on Government Procurement will not enter into force until after 1 January 1988. It was agreed that the Parties would continue to apply their current thresholds (calculated on the basis of SDR 150,000) until the date of entry into force of the Protocol. New thresholds would take effect from that date, calculated on the basis of SDR 130,000 and in accordance with the procedures agreed in November 1986 (GPR/M/24/Annex V). These new thresholds would remain in force until the end of 1989. The Committee noted that some flexibility could be needed, for example, to take account of de facto application (see paragraph 2). (It might also be noted that

three Parties apply their thresholds on a financial year instead of calendar year basis).

11. The Committee and the Informal Working Group will meet again during the first three weeks of March 1988, the precise dates to be fixed in the light of the overall GATT meeting schedule.

ANNEX 1

Chairman's Report to the Committee
on the Work of the Informal Working Group
on Negotiations

The Informal Working Group on Negotiations met on 8-9 July and 14-15 October 1987 and has adopted work programmes in the areas of broadening and service contracts subject to one waiting reserve.

The programme on broadening consists of a first stage in which an examination will be carried out on the basis of submissions received from the Parties, with a view to clarifying the possible spheres of application which the Agreement might appropriately cover. In a second stage, the programme calls for elaboration of the appropriate approaches to expand the Agreement. The situation will be reviewed thereafter. In the area of service contracts a first stage has been identified, consisting of an examination of the nature and scope of such contracts with a view to clarifying the applicability of the Agreement to these service contracts and to identifying the problems to be further examined, without prejudice to the final position of Parties on the implementation of such coverage. The examination will be conducted on the basis of information from the Parties.

With respect to target dates, it is understood that the inability of one or more Parties to make submissions on time, would not prevent the other Parties from proceeding with the work. Neither would it prejudice the position of any Party nor the flexibility with which the programmes should be carried out, so as to allow all Parties to proceed with the work in a unified and harmonized manner. Hong Kong and Israel noted their understanding that the proposed target dates carried no obligation on the members of the Informal Working Group and were indicative. Singapore made a reservation on the proposed target dates.