

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

L/6323

8 April 1988

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COMMITTEE ON GOVERNMENT PROCUREMENT

Meeting of 18 March 1988

Note by the Chairman

1. The Committee met on 18 March 1988.
2. It re-elected Mr. Anthony Dell (United Kingdom) as Chairman, and elected Mr. Peter Cheung (Hong Kong) as Vice-Chairman for 1988.
3. The Committee heard statements by the Parties explaining changes made in national laws and regulations in order to implement the Protocol Amending the Agreement on Government Procurement. The Chairman invited the Parties to submit the texts of the new laws, regulations and procedures to the secretariat where these would be open for inspection.
4. A number of issues were raised concerning government procurement policy, including draft legislation, in one Party. Some Parties expressed concern with the possible extension of buy-national legislation which, among other things, would have a negative impact on their ability and willingness to conclude the Article IX:6(b) negotiations. Some of these stressed that the balance of the Agreement should be seen in terms of balance of rights and obligations rather than in terms of actual benefits and that some measures had been taken contrary to the Agreement. The Party in question referred, inter alia, to a lack of balance in Code coverage offered by various Parties, and a lack of Code coverage for telecommunications, power generating and transmitting equipment, transportation equipment and services. A major expansion of the Agreement across sectors was not only desirable, but necessary, in order to counter the pressure for Code-inconsistent measures. This Party thought that continued delays in the renegotiation exercise would not increase trade opportunities nor protect members' rights under the Agreement.
5. A number of questions were put concerning the Parties' 1986 statistical reports, which will be reverted to at the Committee's next meeting, together with other questions concerning statistics. The secretariat was requested to prepare background material which could assist delegations in discussing one of these issues, viz. the new requirement in Article VI:10(a) to submit statistics "according to a uniform classification system to be determined by the Committee". The other issues are related to the reporting of origin (Article VI:10(b)), a secretariat analysis of statistics, as well as the question of circulating summary tables in a GPR/- document. It was agreed that 1987 statistics be submitted by 30 September 1988. The Chairman urged delegations to respect this deadline. He stated that it was assumed that all Parties would

implement, as of the 1987 reports, the new requirement that Article VI:10(a) and (c) figures (i.e. global and single tendering statistics) are to be broken down by entities and that single tendering figures are, in addition, to be broken down by product category and by country of origin.

6. Concerning the Article IX:6(b) negotiations, the Committee took note of a report by the Chairman on the work of the Informal Working Group on Negotiations. The report is reproduced in Annex 1. One observer raised the question of special and differential treatment for developing countries, noting, inter alia, that this matter and the question of how to attract further members, might perhaps be more appropriately dealt with in the Negotiating Group on MTN Agreements and Arrangements. The Chairman noted that the question of special and differential treatment was specifically recognized in the work programme but that work so far had been confined to technical issues rather than broad parameters.

7. The question of information to be provided to the Negotiating Group on MTN Agreements and Arrangements was also on the agenda. The Committee took note of a statement by the Chairman which is reproduced in Annex 2.

8. The Committee agreed to update the Practical Guide. The secretariat was requested to prepare a first draft by the beginning of July 1988, for comments by delegations and appropriate inputs by them, with respect to their own country chapters, by the end of September 1988.

9. The Committee agreed to provide documentation to an international organization in response to a request.

10. The Committee noted that two Parties, which had not used a two-year basis when calculating their new 1988-1989 thresholds, would re-calculate these as appropriate.

11. The Committee is expected to hold its next meeting on 7 October 1988. The Informal Working Group will meet on 24-25 May, 7-8 July and 4-6 October 1988. A further meeting of the Informal Working Group in January 1989 is expected to be confirmed at the next meeting of the Informal Working Group.

ANNEX 1

CHAIRMAN'S REPORT TO THE COMMITTEE

The Informal Working Group on Negotiations met on 16-17 March 1988.

In the area of broadening of the Agreement, a useful discussion took place with the benefit of a number of submissions from certain delegations, towards the objective in the first stage of the work programme concerned with clarifying the possible spheres of application which the Agreement might appropriately cover. A number of delegations supplied lists of government and government-affiliated agencies or sub-agencies not presently covered by the Agreement.

A first discussion took place on what might constitute appropriate criteria and relevant considerations in order to determine the possible coverage of a broadened agreement. As a result of the discussions, a number of issues were identified which might be relevant to the future consideration by the Group in pursuance of the above-mentioned objective for the first stage. These issues will be discussed more fully at the next meeting, which will be held on 24-25 May 1988. Delegations which consider it useful may, if they so wish, provide procurement data which could assist the Group in its further considerations of potentials for broadening.

In the case of service contracts, a number of delegations supplied information on the procurement of services, in a format agreed at the previous meeting of the Group. These submissions were a contribution to the examination of the nature and scope of service contracts, with a view to clarifying the applicability of the Agreement to such contracts, and to identifying potential problems. This exercise may continue at the meeting of 24-25 May 1988 and is expected to be the main purpose of a further meeting of the Informal Working Group on 7-8 July 1988, when it is hoped that more submissions will be available.

ANNEX 2

Information to Negotiating Group on MTN Agreements and Arrangements

Chairman's statement:

"On the basis of informal consultations which I have held, I believe that the members of the Committee consider it important to develop and maintain the lines of communication with the Negotiating Group on MTN Agreements and Arrangements. There was a feeling that my reports to this Committee on the activities of the Informal Working Group - available to the NG8 by way of L/- documents and minutes - should be somewhat more elaborate and might include for instance the various stages reached in the work programme. This will of course depend on the scope of the discussion, which can vary from one meeting to another. On a separate point, there was general agreement that specific requests from the NG8 will be dealt with on a case-by-case basis in a spirit of flexibility and co-operation. It was generally considered that such action would in no sense impede the work of the Informal Working Group. In this connection, I might add that discussions are often very informal and not always on the basis of formal instructions. The extent of detail in my report on any particular meeting will have to take this into account."