

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

L/6663

9 April 1990

Limited Distribution

COMMITTEE ON GOVERNMENT PROCUREMENT

Meeting of 9 March 1990

Note by the Chairman

1. The Committee elected Mr. Nils-Erik Schyberg (Sweden) as Chairman and Mr. Akitaka Saiki (Japan) as Vice-Chairman.
2. The outgoing Chairman, Mr. John Donaghy (Canada), gave a progress report, on his own responsibility, concerning the work of the Informal Working Group on Negotiations (see Annex).
3. The Committee noted that a number of questions and replies concerning individual statistical reports for 1987 had been circulated to all members. Further written questions and answers were announced and some other clarifications were made. It was agreed to conclude the 1987 statistical review but any questions could be reverted to under "other business" at the next meeting. It was noted that the 1987 reports would become derestricted one year from the date of the meeting and that the 1986 statistical reports would become derestricted on 16 March 1990. The Chairman reminded delegations that the Committee had agreed to set 30 September 1989 as a deadline for submission of 1988 statistics, but that only eight parties had so far circulated their 1988 figures. The Chairman urged the remaining Parties to submit their 1988 reports as soon as possible. The examination of the 1988 statistics will be inscribed on the agenda of the next meeting.
4. The Committee again reverted to the question of establishing a uniform classification system for statistical purposes. A number of statements were made. References were made both to the Harmonized System and the United Nations Central Products Classification. One delegation hoped to be in a position to submit, by the next meeting, a concordance between the relevant CCCN and NIPRO categories, and the CPC. Delegations expressed support for completing the work on this subject by the end of the year. It was agreed to invite delegations to circulate proposals three weeks in advance of the next meeting (i.e. by 8 June 1990), giving product descriptions and references to corresponding Harmonized System numbers. At the next meeting, delegations will have the opportunity to give comments and clarifications which could be used by the secretariat in compiling a uniform proposal for the following meeting.
5. One delegation requested the establishment of a Panel in the matter which had been the subject of a special meeting on 19 January 1990 (reference L/6645). Following a request for continued bilateral discussions by the other Party concerned, the Committee encouraged further bilateral talks in order to exhaust the possibilities of finding a mutually

satisfactory solution in the matter. The Party bringing the case reserved its right to call a special meeting upon lapse of the three-month period stipulated in Article VII:7.

6. One observer announced its intention to seek accession to the Agreement as soon as possible. A large number of delegations welcomed this announcement and expressed their willingness to work together with this delegation towards this end.

7. The Committee continued its third major review of Article III. In this connection, a number of references were made to proposals presented in the Committee, as well as in the Negotiating Group on MTN Agreements and Arrangements, relating to accession of further countries. It was agreed to revert to this item at the next meeting.

8. A number of delegations informed the Committee of their 1990/91 thresholds expressed in national currencies. The Committee was informed of nominations of panel candidates for 1990.

9. The Committee will meet again on 29 June 1990, following a meeting of the Informal Working Group on 27-28 June. A further meeting of the Informal Working Group might be held before the June meeting.

ANNEX

Report by Mr. J. Donaghy on the Work of the
Informal Working Group on Negotiations

Since the January meeting of this Committee, the Informal Working Group on Negotiations has held a meeting on 7-8 March and its participants also engaged in informal consultations on certain issues on 5 March 1990.

The discussions have mainly focused on the possible coverage for, and the possible régime to be applied to, the so-called "Group C" entities, i.e. entities which are not central, regional or local government entities, but whose procurement policies are controlled by, dependent on, or influenced by, such governments. In this connection, the Group was informed of the content of and background for the EEC's so-called "Utilities Directive", concerning the sectors of transport, energy, telecommunications and water management. The Group recognized the significance of these developments and exchanged views on their importance and relevance for its further work. There were also discussions of a "non-paper" which another delegation presented in respect of "Group C". While it is generally felt that any solution for this Group has ultimately to be found in a "package" of results, views differ on what the notion of an overall, balanced, context should comprise. Views also diverge on how possible coverage and possible rules for "Group C" entities could be developed, given the scope of the present Code. In this regard, discussions have referred to both obligations on the governments themselves and procedural rules for the entities. Progress in this area depends on the ability and willingness to continue the discussions and to engage negotiations in an innovative spirit.

In respect of regional and local government entities (referred to as "Group B"), useful procurement data have been provided orally by a number of delegations. Useful additional information of procurements made by non-Code covered central government entities ("Group A") has also been provided.

A checklist of issues for discussion in the area of service contracts had been identified by the secretariat prior to this week's meeting of the Working Group. However, the discussion was deferred.

The Group has continued the discussion of surveillance, monitoring and control and what has been referred to as a possible "bid protest system" which many delegations view as an important part of an improved Code, pointing to its value in enhancing the Code's credibility within the business community. However, views differ on the need for making amendments to the Code on this point. A concrete proposal tabled by one delegation at the October 1989 meeting remains on the table.

In the course of its activities the Group has also heard a number of observations with regard to Code rules on eligibility criteria and origin determinations. One delegation suggested further work in this field, taking duly into account work done elsewhere in the GATT.

The question of a transitional membership for non-Parties has been given increased attention. The Group appreciated the opportunity to discuss with interested non-Parties suggestions made in this regard, as well as other suggestions for facilitating accession to the Agreement, tabled in the Uruguay Round Negotiating Group on MTN Agreements and Arrangements.

In preparation for the next informal Working Group meeting, delegations will be preparing additional information relative to "Group A" entities not currently covered by the Code, including indications as to procurement volumes, main products purchased and indications as to their legal nature. In respect of "Group B" entities, they will endeavour to complete, in writing, a questionnaire circulated two meetings ago. As for "Group C", they will bring forward indications as to entities for which they would wish to obtain information comparable to that envisaged for "Group A" entities. In addition, delegations are invited to come forward with additional original thinking as to coverage and régime for "Group C", taking into account what would be necessary to achieve success in the negotiations. Finally, they are invited to submit for consideration proposals for textual amendments using legal drafting language, in, for instance, areas such as transitional membership, and eligibility requirements.