

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

L/6699

18 July 1990

Limited Distribution

COMMITTEE ON GOVERNMENT PROCUREMENT

Meeting of 29 June 1990

Note by the Chairman

1. The Committee took note of the Chairman's progress report on work undertaken in the Article IX:6(b) negotiations. He stated that the Informal Working Group had met on 26-28 June 1990 and had discussed all elements which could constitute a possible overall agreement.
2. The Chairman recalled that at the meeting of 9 March 1990, the Committee had welcomed the decision by the Government of Korea to accede to the Agreement on Government Procurement. The observer from Korea stated that his Government had presented its initial offer list of entities to the Director-General on 25 June 1990, composed of thirty-five central administration agencies, the Korean Telecommunication Authority, and the Korean National Housing Corporation. On the basis of 1989 figures, the total amount of the prospective concession, excluding the amount of procurement in the exceptions clause, was estimated to be \$572 million. His delegation was prepared to hold consultations with Parties on the terms of accession and believed that the reason why there were so few developing country signatories was that the threshold for accession was too high for many of them. Parties welcomed the Korean submission of its list of entities and reserved their rights to comment on it at a later time.
3. The Committee noted that 1988 statistics had been received from all Parties. One delegation circulated questions and noted that additional questions would be forthcoming. It was decided to revert to this item at the next meeting.
4. One delegation presented a paper relating to a uniform classification system for statistical purposes which concluded that the Harmonized System was not a practical alternative to the present system. This delegation's expert examination of the Customs Cooperation Council Nomenclature, the Standard International Trade Classification, and the UN Central Products Classification, had determined that the latter was the best alternative for the purposes of the Committee. Another delegation agreed with this view, adding that it was presently developing its own version of the CPC. Both believed that the CPC could only feasibly be utilized at the two-digit level but reserved their final views on this question. Another delegation believed that the thirty-nine categories of the CPC at the two-digit level

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was not a significant improvement over the present system while the 291 categories at the three-digit level was excessive. It suggested that the Committee devise an alternative by dividing areas of particular interest to the Committee into more detailed categories. Some Parties reserved their rights to come back to this issue and the Committee agreed to revert to this subject at the first meeting of next year.

5. The Committee agreed to accept a modification to an entry in Annex I contained in GPR/56 and Corr.1.

6. In the course of the third major review of Article III, one delegation briefly reviewed developments in the Negotiating Group on MTN Agreements and Arrangements, noting that one proposal presented in this Group did not explain how to facilitate accession of developing countries beyond providing transparency and that serious consideration should be given to another proposal dealing with procedures for accession. The sponsor of the former proposal stated that by giving non-Parties better knowledge of their own procurement systems, they would be able to make more appropriate requests under the special and differential treatment provisions of the Agreement. The sponsor of the latter proposal also requested that this be given more serious consideration, particularly since it believed that the terms of accession to the Agreement on Government Procurement were more onerous than those of the General Agreement. Another delegation disagreed on this point, and recalled that this issue had been thoroughly discussed at an informal meeting under the auspices of the Negotiating Group. The Committee took note of the statements made.

7. The Chairman informed the Committee of informal consultations held under the auspices of the Negotiating Group on MTN Agreements and Arrangements on 21 May and 26 June 1990. The comments from the May meeting were contained in MTN.GNG/NG8/18, paragraphs 17-26.

8. The Committee took note of written answers from the United States to questions from Canada and Japan regarding the 1987 statistical review.

9. The Committee noted that the Informal Working Group on Negotiations had agreed to meet on 1-3 August 1990 and that it had set aside the following dates for further meetings: 1-4 October, and 5-9 November 1990. The Committee set aside 5 October 1990 for its own next meeting.