

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Multilateral Trade Negotiations

Group "Non-Tariff Measures"

Sub-Group "Government Procurement"

MEETING OF APRIL 1979

Summing-Up by the Chairman

1. The Sub-Group met on 6 April 1979.
2. It invited the Secretary-General of UNCTAD or his representative to attend this session of the Sub-Group as an observer.
3. The Sub-Group considered the Agreement on Government Procurement circulated in document MTN/NTM/W/211/Rev.1.
4. Some delegations made points on a number of specific provisions in the text. Some delegations stated that they understood the expression "rules of origin applied in the normal course of trade" in paragraph 3 of Part II to include rules of origin applied under preferential schemes for developing countries. One delegation also stated its country's expectation that rules of origin would apply in a manner taking fully into account the interests of all parties to the Agreement. With regard to the level of the threshold set out in Part I of the Agreement, one delegation expressed the hope that in the course of the review of the Agreement provided for in paragraph 6 of Part IX, favourable consideration could be given to reducing the threshold level so as to give small and medium sized suppliers in developing countries the possibility of greater participation in the procurement process under the Agreement. One delegation stated its understanding that in terms of the Agreement, no compensatory adjustments would be required in the event of a developing country seeking modifications of its schedule of entities on account of balance-of-payments difficulties. One delegation reserved its right to revert to matters concerning single tendering dealt with in Part V, paragraph 15(b) and (e) should this matter arise in the major review three years after implementation of the Agreement and to raise the question of reciprocity should the question also arise in the major review.
5. Some delegations expressed concern with regard to certain of the provisions relating to the least-developed countries and felt that they could have been strengthened. Other delegations stated that this section reflected a careful balance resulting from detailed negotiations on the matter.

6. Many delegations welcomed the text and a number of delegations stressed that it formed an important part of the ~~global package~~ in the negotiations. Many delegations stated that the text was a carefully negotiated instrument basically reflecting the objectives set by the Sub-Group and represented the most that could be achieved in this area of the MTNs. One delegation stated that it was not in a position to take a definite stand on the text at the present time. One other delegation stated that it would find it practically impossible to recommend this Agreement to its authorities.

7. The Sub-Group noted that the reservation on the sub-paragraph of paragraph 4 of Part V had been lifted and the footnote could thus be removed from the text.

8. The suggestion was made by some delegations that in connexion with the sub-paragraph of paragraph 4 of Part V, Spanish, as one of the languages in which the Agreement was authentic, should also be utilized for the purposes stated therein.

9. The Sub-Group noted that following negotiations, one delegation expected to forward its list of entities for incorporation in Annex I in the next few days, and some other delegations expected to be in the same position shortly.

10. A number of delegations expressed the hope that the maximum number of countries would find it possible to accept this Agreement over the next few months and thus become initial signatories to it.

11. It was noted that in addition to those countries whose lists of entities were reflected in Annex I of the Agreement, a number of others had expressed interest in becoming parties to the Agreement. For this purpose interested delegations should address a communication to the secretariat; reference could also be made to the procedures for negotiations on procurement entities circulated in GATT/AIR/1468 dated June 1978. The Sub-Group noted that Part III of the Agreement provided a useful reference point for the participation of developing countries including the least-developed among them.

12. In relation to Part IX "Final Provisions", some delegations proposed that paragraph 1(a) be amended by the insertion of "after being adopted by the Trade Negotiations Committee" after "This Agreement shall". Some delegations proposed that in paragraph 1(b) the words "and any government having provisionally acceded to the GATT" be inserted after "Any government contracting party to the GATT". While there was no discussion of the substance of the matter, one delegation raised a question concerning paragraph 1(d) of Part IX and reserved the right to revert to it in the Trade Negotiations Committee.

13. It was noted that differences of view on procedural questions were not specifically related to government procurement. The Chairman stated that the points raised would be drawn to the attention of the Chairman of the Trade Negotiations Committee, the body responsible for the overall conduct of the negotiations, with the suggestion that he consider, in consultation with delegations, how these matters could best be dealt with.

14. The Chairman said that the revised text would be transmitted to the Trade Negotiations Committee.