

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Group "Non-Tariff Measures"

Sub-Group "Government Procurement"

DRAFT INTEGRATED TEXT FOR NEGOTIATION ON GOVERNMENT PROCUREMENT

Communication from the Delegation of India

In accordance with paragraph 7 of the Chairman's summing-up of the last meeting of the Sub-Group (MTN/NTM/42), the delegation of India has put forward the following suggested amendments to the draft integrated text (MTN/NTM/W/133/Rev.1) for circulation to participants in the negotiations.

PROPOSALS FOR ADDITIONS/AMENDMENTS

I. PREAMBLE

New paragraph to be inserted after the second paragraph:

"Recognizing that in order to achieve their socio-economic objectives, to implement programmes and policies of economic development designed to raise the standard of living of their people and to rectify structural imbalances in their balance of payments, developing countries need to adopt differential measures";

II. SCOPE AND COVERAGE

(i) New sub-paragraph to be inserted as paragraph 1(d):

"Procurement by entities in developing signatory countries subject to the provisions of this Agreement of such products as the signatory country concerned has decided need to be procured through imports."

(ii) New sub-paragraph to be inserted as sub-paragraph 2(c):

"To procurement by entities in developing signatory countries where this procurement is made in the context of special trading arrangements, industrial collaboration and joint venture projects among developing countries."

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III. NATIONAL TREATMENT AND NON-DISCRIMINATION

(i) New paragraph 3 to be added:

"Notwithstanding the provisions of paragraph 1, developing signatory countries may accord preferential treatment to their domestic products and suppliers, with a view, inter alia, to:

- (a) safeguarding their external financial position and ensuring a level of reserves adequate for the implementation of their programmes of economic development;
- (b) promoting the establishment, revitalization and development of domestic industries in accordance with the objectives and priorities of national development;
- (c) protecting industries, including industrial units and ancillary industries wholly or substantially dependent on government procurement;
- (d) promoting development of industries, trade and economic co-operation among developing countries participating in preferential arrangements for economic co-operation at the inter-regional, regional or sub-regional levels."

(ii) New paragraph to be added as paragraph 4:

"Notwithstanding the provisions of paragraph 1, developed signatory countries may accord preferential treatment to products and suppliers in developing signatory countries with a view to providing special and more favourable treatment to these countries."

(iii) New paragraph to be added as paragraph 5:

"Notwithstanding the provisions of paragraph 1, developed signatory countries shall, with a view to providing special and more favourable treatment to the products and suppliers in developing countries, inter alia, exclude customs duties and any other charges imposed or leviable in connexion with importation, in evaluating bids received from suppliers in developing signatory countries."