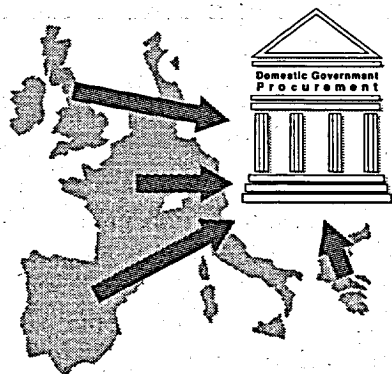


Public Procurement Opportunities

The EC is opening up the tendering of public contracts to companies throughout Europe. This vast market represents about 16% of the EC's GDP. The EC will also lower the thresholds beyond which contracts must be advertised. The present thresholds vary from \$180,000 to \$280,000 CDN.

European Standards for Government Procurement



The EC made tendering procedures more transparent in 1988: notification periods must now be longer and publication requirements have been increased (for instance, details of the winning contract must be published). European standards will generally prevail over national ones, and preferential treatment of local suppliers or contractors in high-unemployment areas will be phased out by the end of 1992.

So far, the changes have affected only the administration of the civil service. Member states have opposed the liberalization of the more commercially oriented sectors: telecommunications, water, energy, and transportation. These areas include the providers of telecommunications and water, electricity and oil suppliers, oil and gas extraction enterprises, railway companies, seaports and airports, and the providers of municipal transportation.

While their enactment will require a major battle, proposals to open these sectors to more transparent bidding practices have been submitted by the European Community. If legislation is passed, contracts for telecommunications equipment would be opened progressively, leading to total liberalization in 1992.

In practice, public procurement purchasers would have several options for placing tenders. They could call for bids for each contract or regularly seek "expressions of interest" from suppliers and contractors. They could also maintain a pool of qualified suppliers and contractors.

The New Public Procurement Opportunity

The opening of public procurement to international competitive bidding could create opportunities. Most of the contracts will be too big for small and medium-sized businesses to handle, but SMEs will have substantial opportunities for subcontracts. SME managers will need to stay as closely tuned to public procurement tenders as the large manufacturers do.

You will be better positioned to learn about and win these contracts if you have offices in the EC. Notices of contracts are published in:

- *Supplement to the Official Journal of the European Communities*
- *Le Bulletin des Adjudications*
- *Le Bulletin Officiel des Annonces des Marchés Publics*

Addresses for ordering these publications are in Appendix E.