

The Canadian offer would broaden the coverage of government entities open to international bidding under the existing GATT Government Procurement Code and the Canada-U.S. FTA.

It has three main features:

1. It would include purchases of goods and services by federal departments and agencies.
2. It involves an undertaking by the federal government to seek commitments on a voluntary basis from the provinces to achieve, within 18 months of the conclusion of the agreement, the broadest possible coverage by provincial entities. (The U.S. is seeking a similar voluntary commitment from the states.)
3. It involves an undertaking not to seek to influence the composition or origin of the purchases of non-governmental corporations that are substantially regulated.

This Canadian offer is an initial one and is conditional upon receiving fully reciprocal benefits for Canadian suppliers in the EC, Japan and the U.S., including removal of restrictive practices under the Buy America and the Small Business Set-Asides programs.

Any agreement will also preserve reasonable flexibility to allow Canada to pursue regional development goals.

While acceptance of the Canadian offer would commit the federal government to open its supplies and services contracts to competition, it would only lay down a framework for the provinces with which they could voluntarily comply during an 18-month period.

Canada also has asked the U.S. to agree to the mutual removal under the FTA of restrictive procurement practices that may not be removed as a result of the GATT negotiations.

Since the co-operation of provinces will be necessary to ensure a successful outcome of this important international government procurement negotiation, the proposal has been discussed with them and positive interest received, the minister said.