- **Procurement of Advanced Technology**

Most governments discriminate in favour of national producers when purchasing goods and services, often through unwritten rules that protect "national champions". The justifications for protectionism include: attempts to assure supply of critical national services (i.e., national security), or simply to protect local producers and employment from foreign competition. Administrative practices include: selective and single sourcing, contracts not open to public tender, stringent technical and financial requirements tailored to local suppliers, non-price criteria, and tacit understandings between government and industry. In some cases, awarding government procurement contracts has been conditional on a supplier licensing technology to local firms and/or on the basis of offsets.

A new Government Procurement Agreement (GPA), negotiated during the Uruguay Round, will enter into force 1 January 1996.[43] The GPA is an attempt to open non-discriminatory access to public tenders for the supply of goods and services. The Agreement calls for international competitive bidding and expands the list of public agencies subject to multilateral rules. The NAFTA, while providing substantial commitments, does not yet cover procurement by sub-national governments. Such jurisdictions will be covered to a certain degree if the GPA negotiations successfully conclude.

3.3 Non-Tariff Barriers to Advanced Technology Trade

3.3.1 Technology Consortia and National Treatment

The early 1990s saw direct U.S. government funding of commercial R&D begin in the areas of advanced computing and bio-technology. With the 1992 election of Bill Clinton, the U.S. government's partnership with industry to develop "strategic technologies" became a major element of U.S. economic policy. As a result, <u>the U.S. Congress, through a variety of technology-related legislation, has given enhanced roles to the Departments of Commerce, Energy and Defense to assist U.S. companies to develop and commercialize technology in key industry sectors.[44] The ultimate goal of U.S. legislation is to ensure that taxpayer-funded R&D provides real benefits to the U.S. economy as measured by job creation and retention, economic growth and</u>

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[43] The GPA supersedes the GATT Procurement Code of 1981 which was the first multilateral attempt to discipline government procurement.

[44] For example, the Commerce Department's proposed R&D budget for 1996 under the National Science and Technology Council Initiatives will increase 26%. A Citizen's Guide to the Federal Budget (1995).