

GOVERNMENT PROCUREMENT

The Agreement on Government Procurement commits signatories to open government purchases at the federal level to international competition. These purchases represent approximately US\$125 billion. It also provides for further negotiations, with the potential to expand market opportunities by a further US\$175 billion through coverage of state and provincial governments and government enterprises. The Agreement covers a wide range of goods and services, many of which are of export interest to Canadian manufacturers and providers of services.

The new Agreement broadens opportunities for procurement at the federal level by adding new departments, agencies and enterprises, and by expanding coverage to include services and construction.

For the first time, the Agreement has the potential to expand coverage to include departments, agencies and some enterprises at the state and provincial levels, subject in Canada to voluntary commitment by the provinces, to be confirmed over an 18-month period. The Agreement also provides for the expansion of the number of participating members. With these improvements, the value of the worldwide government procurement market being opened to Canadian manufacturers and suppliers could represent a tenfold increase in coverage over the existing GATT procurement agreement.

TECHNICAL BARRIERS TO TRADE

The Agreement on Technical Barriers to Trade has been strengthened in the Uruguay Round. The Agreement seeks to ensure that technical regulations and standards, and related testing and certification procedures, do not create unnecessary obstacles to trade. This and other provisions in the Agreement will ensure that Canadian exporters enjoy greater predictability in international markets.

However, the new agreement also recognizes that countries should not be prevented from taking measures necessary to protect human health or the environment, or from attaining other legitimate goals.

SUBSIDIES AND COUNTERVAILING DUTIES

The Uruguay Round contains a clear set of rules on subsidies and countervailing duties (penalties imposed in retaliation for unfair subsidies) -- a major objective for Canada in the Uruguay Round. The Agreement on Subsidies and Countervailing Measures contains, for the first time, an internationally agreed definition of subsidy. Certain categories or types of subsidies, for example, those for regional development, the environment, and research and development, will not be subject