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Within the GATT Committee on Government Procurement, the Informal Working Group on Negotiations is considering the possible expansion of the code. One consideration is to broaden the application of the code to include other government and government-affiliated agencies. Also, the nature and scope of service contracts are being examined to consider how these could be covered. At present, service contracts are not

covered, although services incidental to the supply of products are, if their value does not exceed that of the products themselves, e.g. less than 50 per cent of the value of the contract. Any changes that are negotiated in the GATT multinational forum will be automatically applied to the Canada-U.S. Free Trade Agreement as well.