

EXEMPT

Sec. 15(1)

IV. GATT Agreement on Government Procurement

23. The Agreement has been in operation since 1981. Statistics available show that since the Agreement came into force, the performance of Canadian suppliers has improved considerably. In 1981, Canada's balance of trade under the Agreement was in deficit of \$35.4 million, but in 1982 and 1983 Canada showed a surplus of \$29 million and \$205 million respectively. Canada's most important partner, by far, is the United States, in terms of both exports and imports.

24. Negotiations to improve and expand the scope of coverage of the Agreement began in the fall of 1983. The negotiations have been divided into three broad elements: a) improvement of the procedures of the Agreement; b) expanded entity coverage; and c) examination of the possibility of including service contracts under the Agreement.

25. Progress to date has been most evident in the area of improvements aimed at, inter alia, increased discipline on the use of single tendering practices and short bid deadlines as well as expanded statistical reporting requirements. The EC, with support from some other countries, has expressed a preference to move forward on improvement proposals, leaving aside, for the moment, the more complicated and controversial issues of expanded entity coverage and possible inclusion of service contracts. The USA, supported by Canada, has continued to express its preference for moving forward on all three elements of the negotiations.

26. To date the USA, Sweden, and Canada have tabled lists of additional government purchasing entities they would like to see brought within the coverage of the GATT Agreement.

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