

GOVERNMENT PROCUREMENT

GOVERNMENT PROCUREMENT : QUESTION #1

What will Canada seek in NAFTA for government procurement?

Background:

FTA-

Under the FTA, substantial gains were made in liberalizing the existing level of government procurement liberalization between Canada and the United States; through lowering of minimum contract value to \$U.S. 25,000 of all goods covered under the GATT Code. The FTA expands upon the gains achieved in the GATT Code. The FTA also improved upon GATT Code transparency procedures with respect to bid-challenge procedures to ensure equal treatment of suppliers.

General-

Canada would seek a harmonization of Mexican practices for government procurement on the level of the GATT Code and also including the FTA practices established between Canada and the United States.

RESPONSE:

- THE NAFTA AGREEMENT PROVIDES AN EXCELLENT OPPORTUNITY FOR THE SIGNATORIES TO IMPROVE ACCESS TO THEIR RESPECTIVE MARKETS AND TO CREATE A LEVEL PLAYING FIELD IN GOVERNMENT PROCUREMENT. CANADA'S OBJECTIVES IS TO SECURE THE MAXIMUM POSSIBLE LIBERALIZATION ON THE BASIS OF NON-DISCRIMINATORY NATIONAL TREATMENT.
- THE FTA BETWEEN CANADA AND THE UNITED STATES MAY SERVE AS A MODEL TO LIBERALIZE MEXICO'S GOVERNMENT PROCUREMENT PRACTICES WITH THOSE OF CANADA AND THE UNITED STATES. DEPENDING UPON THE MEASURES INTRODUCED, THE PROVISIONS REGARDING GOVERNMENT PROCUREMENT IN THE FTA MAY BE FURTHER LIBERALIZED IF THEY ARE IN THE BEST INTERESTS OF CANADA.