

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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25 February 1987

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COMMITTEE ON GOVERNMENT PROCUREMENT

Meeting of 12 February 1987

Note by the Chairman

1. The Committee met on 12 February 1987.
2. The Committee reverted to a communication from the People's Republic of China and agreed to grant observer status to the People's Republic of China, on the same conditions as those applied to other observers.
3. The Committee elected Mr. A. Dell (United Kingdom) as Chairman and Mr. E. Contestabile (Switzerland) as Vice-Chairman for 1987.
4. The Committee initiated the examination of 1985 statistics, which will be continued at the next meeting.
5. The Committee took stock of national procedures concerning acceptances of the Protocol of Amendments and will do likewise at its next meeting.
6. A number of other matters concerning implementation and administration of the Agreement were drawn to the Committee's attention.
7. In the context of the continued Article IX:6(b) negotiations, the Committee decided that the two areas other than service contracts, i.e. broadening and improvements of the Agreement, also be handled by the Informal Working Group on Negotiations. The latter was requested to look into the question of a detailed work plan and other procedures with a view to submitting recommendations to the Committee at its next meeting. A number of general statements were made including statements by two observers concerning Article IX:6(b) negotiations under this Committee in the light of the Uruguay Round of Trade Negotiations. The Committee took note of these statements.
8. A solution was proposed in the VAT dispute, whereby the EEC would unilaterally reduce its threshold by the equivalent to the average effective rate of the different VAT regimes in the Community (i.e. 13 per cent). This would be implemented jointly with the new threshold provided for in the Protocol amending the Agreement. The United States accepted the solution on the understanding that 13 per cent was the average effective rate, that no major changes to the overall average level of VAT was foreseen and that this was a practical, not a legal solution. The solution will be considered as being accepted by the Committee if by 27 February 1987 no Party has stated objections.

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9. The Committee took note of notifications of 1987 thresholds in national currencies, notifications of 1987 panel candidates and the derestriction of documents.

10. The Committee's next meeting will be held on 20 May 1987, to be preceded by a meeting of the Informal Working Group on Negotiations on 18-19 May 1987.