

WORLD TRADE ORGANIZATION

RESTRICTED

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**Interim Committee on Government Procurement
Working Group on Statistical Reporting**

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COMMUNICATION FROM THE EUROPEAN COMMUNITIES

The following communication from the delegation of the European Communities was received by the Secretariat during the meeting of the Working Group on Statistical Reporting on 4 April 1995, with the request that it be circulated to the Members of the Working Group.

UNIFORM CLASSIFICATION SYSTEMS

The Commission services have carried out some initial analyses of the derogations and exclusions in the Agreement with a view to identifying categories of products which should or should not be separately identified for statistical reporting. The results of this analysis are produced in Annex I and we need to discuss with Parties the accuracy of the analysis.

Regarding the analysis of the categories of products in which EU procurements tend to be concentrated, we have so far only been able to carry out this analysis with regard to goods, the results of which are produced at Annex II, further work being needed regarding services.

We wish to again emphasize the need to confine the level of detail to that which is absolutely necessary to meet the needs of monitoring application of the Agreement.

COUNTRY OF ORIGIN OF PRODUCTS

At the last meeting of this group discussion centred on origin definitions which might be applied. While we believe it important to agree on workable definitions of origin, the European Communities also believe that any discussion of this point should equally address the basic question of how we ensure effective monitoring of procurement covered by the Agreement. The statistical requirements of Article XIX are designed to provide monitoring information but we need to address the question of whether they will do so effectively and whether country of origin information alone is sufficient to measure all the necessary aspects of effective application of the Agreement.

We believe it is not sufficient and have on previous occasions discussed in the Committee the failure of the existing statistics to address the fundamental issue of the transparency of notices of intended procurement. There is at present no link between statistical reports and the degree of transparency of notices.

We believe that it is important to examine ways of establishing such a link. Such an examination could be part of the discussion within the Interim Committee regarding information technology and in particular the discussion on databases of procurement opportunities. To that end we have established

a list of basic information on databases, already presented to the Interim Committee, the provision of which by each Party is a necessary starting point to further discussions on databases.

Following the sharing of this basic information we could proceed to a sharing of information on structure of the information contained on databases and additionally address how we might use these databases to provide statistical information on the transparency of notices.

ANNEX I

GATT Categories

Canada

- (p119) list defence goods with ref to "Federal Supply Classification Code"
- (p120) exclusions for provinces:
 - steal
 - motor vehicles
 - coal
- (p122) services included defined in terms of CPC (with some additional provisos)
- (p124) general exclusions:
 - coin minting
 - shipbuilding and repair (clarify boats, floating and submersible platforms)
 - printing and publishing services (clarify printed matter supplies)excluded in some circumstances:
 - architectural and engineering services
- (p125) general exclusions:
 - dredging servicesexcluded in some circumstances:
 - construction
- (p126) general exclusions:
 - shipbuilding and repair (clarify as above)
 - urban rail and transportation equipment, systems, components and materials incorporated therein (should this be "for incorporation"?)
 - all project related materials of iron or steel (what does "project related" mean?)
 - FSC 58 (communications, detection and coherent radiation equipment)excluded in some circumstances:
 - agricultural products
 - oil
- (p127) excluded in some circumstances:
 - FSC 36 (special industry machinery)
 - FSC 70 (general purpose automatic data processing equipment, software, supplies and support equipment), except 7010
 - FSC 74 (office machines, visible record equipment and automatic data processing equipment)

EU, Austria, Finland, Sweden, Norway, Switzerland

- (p184) services included defined in terms of the CPC (with some additional provisos)
- (p209) excluded in some circumstances:
 - FSC 36
 - FSC 70, except 7010
 - FSC 74
 - FSC 58
 - air traffic control equipment (not defined)
 - certain electrical items defined in terms of the HS
 - agricultural products
 - water
 - energy
 - fuels for the production of energy

Hong Kong

- (p228) services included defined in terms of the CPC (exclusions p232)
- (p231) general exclusions:
 - consultancy services
 - franchise arrangements (clarify - concessions?)
 - statutory insurances
 - telecommunication services

Israel

- (p233) specified medical items excluded in some - effectively all - circumstances
- (p236) various electrical products defined in HS excluded in some circumstances
- (p237) services included defined in terms of the CPC
- (p239) general exclusions:
 - water
 - energy
 - fuels for the production of energy
- excluded under some circumstances:
 - products for resale or hire

Japan

- (p242) defence inclusions specified in terms of FSC
- (p248) general exclusions:
 - goods for resale
 - services for resale (clarify)
 - goods and services for use in production of goods for sale
- excluded under some circumstances:
 - procurement related to operational safety of transportation (clarify)
- (p249) excluded under some circumstances:
 - geological and geophysical survey services
 - advertising services
 - construction services
 - real estate services
 - ships
- (p250) services defined in terms of CPC
- (p251) general exclusions:
 - courier services for letters
 - various architectural, engineering and design services defined in terms of the CPC
 - printing and publishing services of confidential information
- excluded under some circumstances:
 - maintenance and repair of certain vehicles

Korea

- (p255) general exclusion:
 - goods for resale
 - services for resale (clarify)
 - certain agricultural, fishery and livestock products (clarify)
 - satellites (for 5 years)
- (p256) defence inclusions specified in terms of FSC
- (p261) services defined in terms of CPC
- (p264) general exclusion:
 - CPC 518 renting services of construction equipment with operator

United States

- (p325) excluded under some circumstances:
 - oil
 - FSCs 51, 52, 7340 (clarify)
- (p327) FSC 83 except specified items
 - FSC 84 except 8460 (luggage)
 - FSC 89 except 8975 (tobacco products)
 - FSC 2310 (buses only)
 - alloy steels (possibly other alloys - clarify)
 - FSC 19 & 20 (naval vessels and components)
 - other defence exclusions defined in terms of FSCs
- (p331) transit cars, buses and related equipment
- (p332) beef
 - fuel
 - paper products
 - ships, boats, vessels
- (p333) construction-grade steel
 - motor vehicles
 - coal
- (p335) general services exclusions:
 - transport services, including manufacture and maintenance of transport equipment on a fee or contract basis (defined in CPC terms)
 - dredging services
 - telecommunications services
 - research and development services
- excluded under some circumstances:
 - facilities management and operation services
 - printing services
- (p337) general exclusions:
 - certain financial services

ANNEX II

TED analysis of EU supplies notices		
Nace/ Nipro 2-digit	Description	% of occurrences
34	Electrical engineering products	20%
25	Chemical products	10%
37	Precision and optical instruments	9%
32	Mechanical engineering products	8%
41/42	Food, drink and tobacco products	8%
33	Office machines and ADP equipment	7%
31	Metal articles nec	7%
35	Motor vehicles, their parts and accessories	6%
48	Rubber goods and plastic goods	5%
47	Paper and paper products	4%
46	Articles of wood, including furniture	4%
45	Footwear and clothing	3%
14	Petroleum products	2%
24	Non-metallic products	2%
23	Non-metallic minerals	1%
43	Textiles	1%
36	Means of transport, other than m.v.s	1%
22	Metals and products of preliminary processing	1%
49	Other manufacture products	1%

Nace/ Nipro 4-digit	Description	%
3400	ELECTRICAL ENGINEERING PRODUCTS	
3449	ELECTRO -MEDICAL INSTRUMENTS AND APPLIANCES	23%
3420	ELECTRICAL MOTORS, ELECTRICITY GENERATORS, TRANSFORMERS, SWITCHES, AND OTHER BASIC ELECTRICAL EQUIPMENT	16%
3448	X-RAY AND OTHER RADIATION APPARATUS AND APPLIANCES	10%
3450	RADIO AND TELEVISION RECEIVERS, SOUND REPRODUCING AND RECORDING EQUIPMENT, ELECTRONIC EQUIPMENT AND APPARATUS, GRAMOPHONE RECORDS AND PRE-RECORDED MAGNETIC TAPES	10%
3446	ELECTRICAL COUNTERS MEASURING, TESTING, REGULATING AND CONTROL INSTRUMENTS	8%
3410	INSULATED WIRES AND CABLES	7%
3441	ELECTRICAL APPARATUS AND APPLIANCES FOR LINE TELEGRAPH AND TELEPHONE	7%
3442	ELECTRICAL APPARATUS AND APPLIANCES FOR WIRELESS TELECOMMUNICATION	7%
3430	ELECTRICAL APPARATUS, APPLIANCES AND EQUIPMENT FOR INDUSTRIAL USE; BATTERIES AND ACCUMULATORS	4%
3470	ELECTRIC LAMPS AND OTHER ELECTRIC LIGHTING EQUIPMENT	4%
3443	CONSTRUCTIONAL ELEMENTS FOR TELECOMMUNICATIONS, HIGH-FREQUENCY, AUDIO-FREQUENCY AND MEASUREMENT APPLIANCES	3%
3460	DOMESTIC TYPE ELECTRIC APPLIANCES	2%
3440	TELECOMMUNICATIONS EQUIPMENT, ELECTRICAL AND ELECTRONIC MEASURING AND RECORDING EQUIPMENT AND ELECTROMEDICAL EQUIPMENT	0%
3480	ASSEMBLY AND INSTALLATION OF ELECTRICAL EQUIPMENT AND APPARATUS (EXCEPT FOR WORK RELATING TO THE WIRING OF BUILDINGS)	0%
2500	CHEMICAL PRODUCTS (EXCLUDING MAN-MADE FIBRES)	
2570	PHARMACEUTICAL PRODUCTS	50%
2590	OTHER CHEMICAL PRODUCTS PRIMARILY INTENDED FOR HOUSEHOLD AND OFFICE USE	15%
2510	BASIC INDUSTRIAL CHEMICALS	13%
2560	CHEMICAL PRODUCTS, USED PRINCIPALLY IN INDUSTRY AND AGRICULTURE	12%
2580	SOAPS, SYNTHETIC DETERGENT, PERFUMERY AND TOILET PREPARATIONS	5%
2550	PAINTS, PAINTERS' FILLINGS, VARNISHES AND PRINTING INKS	4%

Nace/ Nipro 4-digit	Description	%
3700	PRECISION AND OPTICAL INSTRUMENTS	
3720	MEDICAL AND SURGICAL EQUIPMENT AND ORTHOPAEDIC APPLIANCES (EXCLUDING ORTHOPAEDIC FOOTWEAR)	62%
3710	MEASURING, CHECKING AND PRECISION INSTRUMENTS AND APPARATUS	22%
3730	OPTICAL INSTRUMENTS AND PHOTOGRAPHIC EQUIPMENT	15%
3740	CLOCKS, WATCHES AND PARTS THEREOF	1%
3200	MECHANICAL ENGINEERING PRODUCTS	
3280	THE MANUFACTURE OF OTHER MACHINERY AND EQUIPMENT PRODUCTS	49%
3250	MACHINERY FOR IRON AND STEEL WORKS, MINING, FOUNDRY BUILDING AND CIVIL ENGINEERING MACHINERY, LIFTING AND HANDLING EQUIPMENT	26%
3270	MACHINERY AND EQUIPMENT FOR OTHER SPECIFIC BRANCHES OF INDUSTRY	8%
3240	MACHINERY AND EQUIPMENT FOR THE FOOD, DRINK AND TOBACCO INDUSTRIES AND THE CHEMICAL	6%
3220	METAL-WORKING MACHINE-TOOLS; TOOLS AND EQUIPMENT FOR USE WITH MACHINE-TOOLS	5%
3210	AGRICULTURAL AND HORTICULTURAL MACHINERY AND TRACTORS	4%
3260	GEARS, GEARING, ROLLER BEARINGS AND DRIVING ELEMENTS	2%
3230	TEXTILE MACHINES AND ACCESSORIES THEREFOR; SEWING MACHINES	0%
4100	FOOD, DRINK AND TOBACCO PRODUCTS	
4100	FOOD DRINK AND TOBACCO PRODUCTS	23%
4120	PRODUCTS OF SLAUGHTERING, PREPARATIONS AND PRESERVES OF MEAT	20%
4130	DAIRY PRODUCTS	16%
4140	PROCESSED AND PRESERVED FRUIT AND VEGETABLES	15%
4190	PRODUCTS OF BREAD AND FLOUR CONFECTIONERY	8%
4150	PROCESSED OR PRESERVED FISH AND OTHER SEA FOOD, FIT FOR HUMAN CONSUMPTION	7%
4110	VEGETABLE AND ANIMAL OILS AND FATS	4%
4170	SPAGHETTI, MACARONI AND SIMILAR PRODUCTS	3%
4160	PRODUCTS OF GRAIN MILLING	1%
4180	STARCH AND STARCH PRODUCTS	1%

Nace/ Nipro 4-digit	Description	%
3300	OFFICE MACHINES AND DATA PROCESSING EQUIPMENT	
3305	EDP MATERIAL AND SERVICE	95%
3301	OFFICE EQUIPMENT	4%
3100	METAL ARTICLES EXCLUDING THE PRODUCTS OF MECHANICAL, ELECTRICAL, VEHICLE AND PRECISION ENGINEERING	
3160	TOOLS AND FINISHED METAL GOODS (EXCLUDING ELECTRICAL EQUIPMENT)	75%
3140	STRUCTURAL METAL PRODUCTS	11%
3150	BOILERS RESERVOIRS, TANKS AND OTHER SHEET-METAL CONTAINERS	9%
3110	FOUNDRY PRODUCTS	2%
3120	FORGED, PRESSED AND STAMPED PRODUCTS	1%
3130	PRODUCTS OF THE SECONDARY TRANSFORMATION OF METALS	1%
3190	MECHANICAL WORK, N.E.S.	0%
3500	MOTOR VEHICLES, THEIR PARTS AND ACCESSORIES	
3510	MOTOR VEHICLES AND THEIR ENGINES (INCLUDING ROAD TRACTORS)	70%
3520	BODYWORK, SUPERSTRUCTURES AND TRAILERS	19%
3530	PARTS AND ACCESSORIES FOR MOTOR VEHICLES	12%
4800	RUBBER GOODS AND PLASTIC GOODS	
4830	PRODUCTS OF PLASTIC MATERIALS	87%
4810	RUBBER GOODS	13%
4820	TIRES, RE-TREATED OR REPAIRED	0%

Nace/ Nipro 4-digit	Description	%
4700	PAPER AND PAPER PRODUCTS; PRODUCTS OF PRINTING AND PUBLISHING PRODUCTS	
4720	PRODUCTS OF PAPER AND PAPERBOARD	43%
4710	PULP, PAPER AND BOARD	28%
4730	PRODUCTS OF THE PRINTING AND ALLIED INDUSTRIES	21%
4740	PRODUCTS DISTRIBUTED BY THE PUBLISHING TRADE	7%
4600	ARTICLES OF WOOD INCLUDING WOODEN FURNITURE	
4670	WOODEN FURNITURE	66%
4650	OTHER ARTICLES OF WOOD, EXCLUDING FURNITURE	13%
4630	BUILDERS' CARPENTRY AND JOINERY	6%
4660	ARTICLES OF CORK AND ARTICLES OF STRAW AND OTHER PLAITING MATERIALS; BRUSHES AND BROOMS	6%
4610	PROCESSED WOOD	4%
4620	SEMI-FINISHED WOOD PRODUCTS	2%
4640	WOODEN CONTAINERS	2%
4500	FOOTWEAR AND CLOTHING	
4530	READY-MADE CLOTHING AND CLOTHING ACCESSORIES	56%
4550	OTHER MADE UP TEXTILE GOODS (MADE UP OUTSIDE WEAVING MILLS)	31%
4510	FOOTWEAR, MASS PRODUCED (EXCLUDING FOOTWEAR OF RUBBER OR OF WOOD)	12%
4520	FOOTWEAR, HAND-MADE (INCLUDING ORTHOPAEDIC FOOTWEAR)	0%
4540	OUTERWEAR, UNDERWEAR AND HATS, MADE TO MEASURE	0%
4560	FURS AND FUR GOODS	0%