

WORLD TRADE ORGANIZATION

RESTRICTED

GPA/W/222

11 November 2002

(02-6172)

Committee on Government Procurement

Original: English

RESPONSE TO QUESTION FROM CANADA RELATING TO KOREA TELECOM

Communication from the Republic of Korea

The following communication, dated 6 November 2002, has been received from the Permanent Mission of the Republic of Korea with the request that it be circulated to the Committee on Government Procurement.

Please find below Korea's reply to a question from Canada (GPA/W/217) regarding Korea's notification to the Committee on Government Procurement on the withdrawal of "Korea Telecom" from Annex 3 of Appendix I of the GPA (GPA/W/207).

Question

Specifically, Canada would like the Government of Korea to confirm that the GATT and GATS national treatment and MFN obligations will apply to any measures taken by the Government of Korea pertaining to purchases by Korea Telecom.

Reply

As explained in detail in Korea's notification to the Committee on Government Procurement, KT (formerly Korea Telecom) is free from any government control or influence in making its business decisions, including purchase decisions. Since the Korean Government sold its remaining 28.36 per cent stake in KT on 21 May 2002, as a KT announced the completion of its privatization process at its shareholders' meeting on 20 August 2002, the Korean Government does not have any legal or other means to intervene in KT's purchasing decisions.

Accordingly, the Government of Korea does not see any possibility of measures being taken by the Korean Government pertaining to purchases by KT at all because KT is entitled to make decisions on its purchases solely in accordance with its own commercial considerations.
