Sir,

At the recent meeting of the Committee on Trade in Industrial Products, held in Geneva from 3 to 7 February, the Committee reviewed the notifications which had been received from contracting parties concerning measures maintained by other countries which in their view constituted barriers to international trade and which operated through governmental measures classified as "aids", "government procurement policies", or "State-trading, government monopoly practices, etc". The notifications had been circulated in document COM.IND/6/Add.1. All countries maintaining notified measures had been invited to participate in this meeting by airgram GATT/AIR/696.

In certain cases, either because the country in question had been unable to be represented or because the question called for more detailed information than was immediately available, it was agreed that the secretariat would write to the country maintaining the measure and ask that a written reply be sent to the secretariat in time to reach Geneva by 21 February. Replies received within that time can be incorporated in the note which the secretariat will prepare on the recently concluded meeting.

As was brought out at the meeting, the CONTRACTING PARTIES agreed at the twenty-fifth session that the Committee should give priority in its work to an examination of the way in which reduction of non-tariff barriers could be carried out so as to be of maximum benefit to developing countries. But, as was also stressed at the meeting, it will be important to obtain the full co-operation of developing countries in providing information about their own regulations affecting trade if progress is to be obtained in working out procedures (whether guidelines, harmonization of measures, or negotiations of some other sort) for general reduction of the trade barriers involved.
My purpose in writing to you is to bring to your attention questions which were asked during the meeting concerning measures maintained by your country. The precise questions asked are indicated in an enclosure to this letter. For countries which were not represented at the meeting, there is also enclosed a brief outline of the kind of supplementary information which would be appreciated.

If your reply is to be included in the note on the meeting to be issued by the secretariat, it should be in our hands by the close of business on 21 February.

Yours sincerely,

J.H. Lewis
Type of Information Sought with Respect to Measures Notified in COM.IND/6/Add.1

As notifications concerning measures in force in other countries were sometimes prepared on the basis of rather imprecise complaints of traders and were not always accurate or completely up-to-date, the country maintaining a notified measure is asked to verify the accuracy of the notification shown in Addendum 1 and to provide supplementary information with special reference to the following points.

1. For government aids the following points are of interest:
   (a) Type of measure
       Legal basis for the measure
       Stated purpose of the measure
       Administrative arrangements to give effect to the measure
       Specific points either not brought out in the notification or inaccurately presented
   (b) Effects and importance
       What commodities are affected by this measure?
       Is there domestic production of such goods which competes with imports?
       How much, roughly, of the country's total consumption of the goods comes from imports and how much from domestic production?
       If quantifiable, could an estimate be supplied of the added cost involved for consumers in the country as compared with prices they might pay if the trade were not restricted?
   (c) Relevance of GATT provisions
       Does this measure appear to be justified by any provision of GATT, and if so, which? (It should be noted that many measures consistent with GATT are included in the inventory and that consistency will not constitute a basis for dropping the item from further consideration. As a rule, the only items dropped will be those which the notifying country is satisfied have been terminated or clearly have no limiting effect on imports.)

2. For government procurement policies the following points will be more useful as means of supplementing information already available:
   (a) Are there legislative or administrative decrees requiring preference to domestically produced goods in purchases for government account (including supplies for government's own use and stocks of goods traded by a State-owned or controlled commercial enterprise)?
   (b) Whether or not provided in writing, is preference normally given to domestic supplies, to supplies originating in any particular country? At what difference in price is this presumption overcome?
(c) What is the government procurement agency or agencies involved? Is this the agency which decides where goods shall be obtained and in what quantity?

(d) By what procedures are contracts awarded? By public tender? Selective tender? Single tender? If different procedures are used please estimate the percent of purchases made by each method.

(e) How are tenders advertised and what length of time is allowed for submission of bids?

3. For State-trading practices, the points of greatest interest to the Committee are:

(a) How much is added to the cost of goods purchased by a State-trading entity, or a government monopoly enterprise charged with importation, in the resale of such goods at wholesale or at retail (please specify which way goods are sold)?

(b) What is the purpose of the mark-up? (To cover costs only, to collect revenue, to protect domestic production of like goods?)

(c) Are domestic goods as well as imports of the products in question handled by the enterprise?

(d) To what extent does the operation of the enterprise limit imports as compared with the amount of goods of this kind which might be imported if trade were in private hands (assuming the same amount of revenue were collected by tax, in the event a fiscal purpose is involved)?

(e) From what sources, by country, does the enterprise buy and how are sources selected?