DRAFT JOINT DECLARATION ON LEASING

Communication from the Delegation of the United States

At the last meeting of the Committee on Government Procurement the United States delegation indicated that it would circulate to the Committee a proposed text for a joint declaration on leasing.

The United States delegation has transmitted by letter of 17 June 1981 the following proposed text, with the request that it be circulated to Committee members.

PARTIES TO THE AGREEMENT ON GOVERNMENT PROCUREMENT

Recognizing the objectives of the Agreement, and in particular their desire "... to establish an agreed international framework of rights and obligations with respect to laws, regulations, procedures and practices regarding government procurement with a view to achieving greater liberalization and expansion of world trade and improving the international framework for the conduct of world trade";

Considering that leasing is one procedure by which governments procure goods;

Recognizing that there is no consensus regarding whether the Agreement is applicable to procurement through leasing;

Considering that the objectives of the Agreement could be frustrated if leasing were used with a view to circumventing the obligations of the Agreement;

Hereby affirm:

A. That leasing is in many cases a practical and economical method of procurement;

B. That procurement officials should be free to procure through either purchase or lease depending upon which is most practical and economical; and

C. That, notwithstanding the above, leasing shall not be used for the purposes of circumventing the Agreement.