COMMUNICATION FROM THE DELEGATION OF NIGERIA

At its meeting of November 1977, the Sub-Group noted the intention of some delegations to submit additional draft provisions covering as broad an area as possible of government procurement, including further proposals for special and differential treatment for developing countries (MTN/NTM/37, paragraph 5).

By letter dated 23 November 1977, the delegation of Nigeria has outlined certain elements his delegation would like to see reflected in a Code on Government Procurement. The purpose of the following submission is to facilitate discussion during the next meeting of the Sub-Group. The delegation of Nigeria has also indicated that the content of its proposal is without prejudice to its stand during and after subsequent discussions and negotiations.

Suggested provision for special and differentiated treatment in favour of developing countries.

1. Government Procurement is an area in the Multilateral Trade Negotiations where special provisions could be made by developed countries in favour of developing countries, since the whole operation involves government patronage to purchase for non-commercial purposes. Direct favour to developing countries could be achieved by reserving a percentage of government purchases exclusively for developing countries (25 per cent). The reserved awards could be made competitive among all developing countries or according to the discretions of the purchasing countries.

2. Developing countries however, would need their government's patronage to stabilize demands for their industrial goods at least for a minimum period of ten years after which the young industries could be exposed to international competition.
3. The element of threshold should enable developed and developing country adherents to use Government Procurement to encourage industrialization in developing countries.

4. Developing country governments could reserve up to 50 per cent of their purchases for their young industries of less than ten years operation. After that, the percentage should be reduced to twenty-five for the next five years. Henceforth, it should fall in line with the general provisions of the code. Purchases above the reserved percentages could be made available under the general conditions of the code i.e. on non-discriminatory and transparent bases. At all times, an element of small thresholds would be desirable in favour of domestic producers.

5. The points mentioned above would complement the elements of technical assistance and the establishment of information bureaux suggested in the Community paper to assist developing countries.

Dispute settlement.

6. The establishment of a monitoring body to survey, advise, urge and report on Government Procurement policies within the code, should be the guiding objective.

7. The establishment of rigid judicial panels should be avoided so as to encourage continuous patronage by governments.

8. The code on Government Procurement should include the above elements.