

1. Measures related to the WTO Agreement on Government Procurement (Reference Materials III-1)

(1) Current status of the number of countries and regions participating in the WTO Agreement on Government Procurement

Originally there were 23 countries and regions participating in the WTO Agreement on Government Procurement. As of January 1, 2006, parties to the Agreement were 38 countries and regions.

(Note) Parties to the Agreement on Government Procurement (as of January 1, 2006)

Japan, Canada, European Community (EC), Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, United Kingdom, Hong Kong China, Iceland, Israel, Korea, Liechtenstein Netherlands with respect to Aruba, Norway, Singapore, Switzerland, and the United States

(2) The Working Group on Transparency in Government Procurement (Reference Materials III-2)

In December 1996, the first Ministerial Conference since the founding of the World Trade Organization (WTO) was held in Singapore, with ministers and officials from 127 countries participating. At this first Ministerial Conference, it was decided to establish a Working Group on Transparency in Government Procurement.

In response to this, since the first meeting was held in May 1997, further formal meetings, a number of informal meetings and friends meetings have taken place.

The Working Group on Transparency in Government Procurement is a forum to carry out studies on transparency in government procurement in a way designed to be conducive to the policies of each country, and since it is positioned to specify elements that each country could agree to on government procurement, countries other than the signatory nations (as mentioned above) to the WTO Agreement on Government Procurement have also become members of the Working Group.

At the third WTO Ministerial Conference in Seattle, discussions were conducted on launching negotiations towards forming an agreement concerning transparency in government procurement, based on the discussions of such working groups.

In addition, at the fourth WTO Ministerial Conference in Doha (Qatar) in November 2001, the Ministerial Declaration decided that parties would keep studying on transparency in government procurement and negotiate about multilateral rules after the fifth Conference. However, the General Council on July, 2004 decided that negotiation will not be initiated in this Doha Round.

2. Economic Partnership Agreement

(1) Japan-Singapore Economic Agreement for a New Age Partnership

In January 2002, in Singapore the prime minister of Japan, Junichiro Koizumi, signed Japan Singapore Economic Agreement for a New Age Partnership, which entered into force in November 30, with the prime minister of Singapore, Goh Chok Tong, to build up a closer economic connection in a wider area than trade and investment. This is the first bilateral free trade agreement for Japan, and economic activity between Japan and Singapore has been further promoted through the agreement.

The agreement includes more obligations than WTO Agreement on Government Procurement; GPA, in the area of goods and services procurement. To be specific, each country agreed to give suppliers in the other country more opportunity to tender by lowering the application threshold for GPA from 130,000 SDR to 100,000 SDR.

(2) Japan-Mexico Economic Partnership Agreement

Prime Minister Junichiro Koizumi and President Vicente Fox Quesada of Mexico signed a Japan-Mexico Economic Partnership Agreement (EPA) in September 2004 in Mexico with a view to promoting a comprehensive economic partnership (the Agreement entered into force in April 2005). It is expected that the conclusion of this Agreement will contribute to make the most of the complementary relations between the two countries and thus to strengthen even more the existing bilateral economic relations.

Regarding government procurement covered by the Agreement, both countries promise in the Agreement that the goods and services of the partner country as well as their providers would be provided treatment no less favorable than that accorded to domestic goods, services, and suppliers. Although there were cases in the past where Japanese companies were excluded from Mexico's government procurement on grounds that the Free Trade Agreement (FTA) was not yet concluded (Mexico had not concluded the WTO Agreement on Government Procurement [GPA]), it was determined by the conclusion of the Agreement that Japanese companies too will enjoy national treatment.

3. Action Program measures

(1) Government Procurement Seminar

The Ministry of Foreign Affairs holds a seminar on government procurement each year, based on the Action Program on Government Procurement adopted at the 20th Meeting of the Action Program Committee in February 1994 and on the Procedures for Government Procurement on Products (Operational Guidelines) adopted at the 21st Meeting of the Action Program Committee held in March 1994. In 2005, the seminar was held on 27 April (with 62 domestic and 32 foreign suppliers participating).

The above two voluntary measures also call for the other ministries and agencies to hold seminars on government procurement as necessary. In 2005, the following seminars were held.

Table III-1 Government Procurement Seminars in Japanese Ministries and Agencies in 2005

Procurement Organization	Date	Content
National Public Safety Commission (National Police Agency)	19 May 2005	Government Procurement Seminar, Government Procurement Annual Meeting (Telecommunications)
Defense Agency	27 May 2005	Government Procurement Seminar, Government Procurement Annual Meeting (Medical Technology)
Ministry of Internal Affairs and Communications	18 May 2005	Government Procurement Seminar, Government Procurement Annual Meeting (Telecommunications, Medical Technology)
Ministry of Education, Culture, Sports, Science and Technology	19 May 2005	Government Procurement Seminar, Government Procurement Annual Meeting (Telecommunications, Medical Technology)
Ministry of Health, labor, and Welfare	19 May 2005	Government Procurement Seminar, Government Procurement Annual Meeting (Medical Technology)
Ministry of Land, Infrastructure, and Transport	19 May 2005	Government Procurement Seminar, Government Procurement Annual Meeting (Telecommunications)

(2) Voluntary Review Meeting

In 2005, by means of questionnaire survey, the opinions of suppliers were solicited concerning implementation and utilization of voluntary measures. In addition, a voluntary review, a follow-up to the voluntary measures based on statistics, etc., was held on 24 November and gave consideration to the results of the survey (Reference Materials III-3). The Voluntary Review Meeting drew up the Government Initiative on Future Management of Government Procurement (Reference Materials III-4) based upon the reviews above.

From FY2001, among the opinions and requests gathered by the questionnaire survey, the government picked up those from many respondents, considered important to improve the current measures, and considered necessary information to the public, and released responses from the government on the website: <http://www.kantei.go.jp/> (Reference Material III-5).

(3) Action Program Committee

In the 38 Action Program Committee held on 9 December 2005, the state of the implementation of the voluntary measures reviewed at the Voluntary Review Meeting was confirmed, and the Government Initiative on Future Management of Government Procurement drawn by the Voluntary Review Meeting was approved.

(4) Thresholds

Thresholds, which vary according to types of contract specified in the WTO Agreement on Government Procurement, are obtained by converting the applied standard values (in SDR) into the national currency (The Standard Values are revised every two fiscal years.).

The thresholds in the voluntary measures related to government procurement as formulated by the Action Program Committee are revised according to these notifications. The current thresholds applicable are in Reference Material III-6.