

## **Chapter II Products and Services Covered by the Government Procurement Survey**

This survey covers government purchased products and services which fell under the following voluntary measures related to government procurement: "Procedures for Government Procurement on Products (Operational Guidelines)", "Measures on Japanese Public Sector Procurement of Telecommunications Products and Services", and the "Measures Related to Japan's Public Sector Procurement of Medical Technology Products and Services".

In other words, it covers in principle procurement contracts made by central government entities and public corporations given in the following Table A, and products and services of which value were above the threshold given below. \*

From 1 April 1996 to 31 March 1998 : 100,000 SDR (14 million yen)

From 1 April 1998 to 31 March 2002 : 100,000 SDR (17 million yen)

From 1 April 2002 to 31 March 2004 : 100,000 SDR (14 million yen)

From 1 April 2004 to 31 March 2006 : 100,000 SDR (16 million yen)

\*(Note) Procurement for public works (including architectural planning and consultancy) is excluded from this survey.

**Table A**

Central Government Entities	Public Corporations	Independent Administrative Institutions
<p>House of Representatives; House of Councilors; Supreme Court; Board of Audit, Cabinet; National Personnel Authority; Cabinet Office; Imperial Household Agency; National Public Safety Commission; Defense Agency; Financial Services Agency; Ministry of Public Management, Home Affairs, Posts and Telecommunications; Ministry of Justice; Ministry of Foreign Affairs; Ministry of Finance; Ministry of Education, Culture, Sports, Science and Technology; Ministry of Health, Labor and Welfare; Ministry of Agriculture, Forestry and Fisheries; Ministry of Economy, Trade and Industry; Ministry of Land, Infrastructure and Transport; Ministry of the Environment</p>	<p>Hokkaido Railway Company; East Japan Railway Company; Central Japan Railway Company; West Japan Railway Company; Shikoku Railway Company; Kyusyu Railway Company; Japan Freight Railway Company; Japan Tobacco Inc.; Nippon Telegraph and Telephone CO.; National Life Finance Corporation; Housing Loan Corporation; Agriculture, Forestry and Fisheries Finance Corporation; Japan Finance Corporation for Small Business; Japan Finance Corporation for Municipal Enterprises; Okinawa Development Finance Corporation; Development Bank of Japan; Japan Bank for International Corporation; Japan Regional Development Corporation; Japan National Oil Corporation; Japan Highway Public Corporation; Hanshin Expressway Public Corporation; Honshu-Shikoku Bridge Authority; Metropolitan Expressway Public Corporation; Japan Nuclear Cycle Development Institute; Government Pension Investment Fund; Japan Atomic Energy Research Institute; The Promotion and Mutual Aid Corporation for Private Schools of Japan; University of the Air Foundation; Social Insurance Medical Fee Payment Fund; Japan Racing Association; Mutual Aid Association of Agriculture, Forestry and Fishery Corporation Personnel; National Association of Racing; Japan Keirin Association; Japan Motorcycle Racing Organization; Mutual Aid Fund for Official Casualties and Retirement of Volunteer Firemen; Japan Post; Narita International Airport Corporation; Japan Environmental Safety Corporation; Tokyo Metro Co., Ltd; National University Corporation; Inter-University Research Institute Corporation</p>	<p>National Archives of Japan; Institute of Fire and Disaster National Research; National Research Institute of Brewing; National Center for University Entrance Examination; National Institute of Special Education; National Olympics Memorial Youth Center; National Women's Education Center; National Youth Houses; National Children's Center; National Institute for Japanese Language; National Science Museum; National Institute for Materials Science; National Research Institute for Earth Science and Disaster Prevention; National Aerospace Laboratory of Japan; National Institute of Radiological Sciences; National Museum of Art; National Museum; National Research Institute for Cultural Properties; National Center for Teacher's Development; The National Institute of Health and Nutrition; National Institute of Industrial Safety; National Institute of Industrial Health; Center for Food Quality, Labeling and Consumer Services; National Center for Seeds and Seedlings; National Livestock Breeding Center; Fertilizer and Feed Inspection Station; Agricultural Chemicals Inspection Station; National Farmers Academy; Forest Tree Breeding Center; National Salmon Resources Center; National Fisheries University; National Institute of Agrobiological Sciences; National Institute for Agro-Environmental Sciences; National Institute for Rural Engineering; National Food Research Institute; Japan International Research Center for Agricultural Sciences (JIRCAS); Forestry and Forest Products Research Institute; Fisheries Research Agency; Research Institute of Economy, Trade and Industry; National Center for Industrial Property Information and Training; Nippon Export and Investment Insurance; National Institute of Advanced Industrial Science and Technology; National Institute of Technology and Evaluation; Public Works Research Institute; Building Research Institute; National Traffic Safety and Environment Laboratory; National Maritime Research Institute; Port and Airport Research Institute; Electronic Navigator Research Institute; Civil Engineering Research Institute of Hokkaido; Marine Technical College; National Institute for Sea Training; School for Seafarers Training; Civil Aviation College; The National Institute for Environmental Studies; Labor Management Organization for USFJ Employee; National Agency of Vehicle Inspection; National Statistics Center; Japan Mint; National Printing Bureau; Japan Water Agency; Japan Green Resources Agency; Japan Railway Construction, Transport and Technology Agency; Japan Science and Technology Agency; Japan International Cooperation Agency; Welfare and Medical Service Agency; Agriculture and Livestock Industries Corporation; Northern Territories Issue Association; National Consumer Affairs Center of Japan; RIKEN; Japan Foundation; Japan Arts Council; Japan Society for the Promotion of Science; National Agency for the Advancement of Sports and Health; National Center for Persons with Severe Intellectual Disabilities; Nozominosono; Farmers' Pension Fund; Japan External Trade Organization; New Energy and Industrial Technology Development Organization; Japan National Tourist Organization; The Japan Institute for Labour Policy and Training; Organization for Workers' Retirement Allowance Mutual Aid; National Agriculture and Bio-oriented Research Organization; Japan Nuclear Energy Safety Organization; Japan Oil, Gas and Metals National Corporation; Employment and Human Resources Development Organization of Japan; Environmental Restoration and Conservation Agency; Japan Labour Health and Welfare Organization; Japan Student Services Organization; National Institute of Information and Communications Technology (NiCT); Institute of National Colleges of Technology, Japan; National Institution for Academic Degrees and University Evaluation; Center for National University Finance and Management; National Institute of Multimedia Education; National Hospital Organization; Organization for Small &amp; Medium Enterprises and Regional Innovation, JAPAN; Urban Renaissance Agency; Fund for the Promotion and Development of the Amami Island</p>

(Note) This table lists up entities that existed in 2004.

## 1. Total Value and Number of Government Procurement Contracts

The total value for government procurements of goods and services for 2004 was 1058.5 billion yen, an increase of 5.6% from the previous year. On the other hand, the total number of contracts decreased by 14.0%.

Table 1-1: Total value and number of government procurement contracts  
(100mil. Yen or Number of contracts)

	1999	2000	2001	2002	2003	2004
<b>Total value</b> (increase from the previous year, %)	<b>10,296</b> ( - 5 . 7 )	<b>10,431</b> ( + 1 . 3 )	<b>10,146</b> ( - 2 . 7 )	<b>9,690</b> ( - 4 . 5 )	<b>10,023</b> ( + 3 . 4 )	<b>10,585</b> ( + 5 . 6 )
<b>Total number of contracts</b> (increase from the previous year, %)	<b>15,413</b> ( - 2 . 3 )	<b>15,348</b> ( - 0 . 4 )	<b>14,848</b> ( - 3 . 3 )	<b>15,739</b> ( + 6 . 0 )	<b>15,601</b> ( - 0 . 9 )	<b>13,418</b> ( - 14 . 0 )

## 2. Breakdown of Procurements by Type of Goods or Service, and by Contract Type (2004)

The ratios of open tendering contracts to single tendering contracts vary significantly according to whether the items procured were goods or services. In 2004 about 84% of the number of goods procurement was contracted through open tendering procedures. In contrast, in terms of service, almost the half of the number and about 56 % of the total value of procurement were contracted through single tendering procedures.

Table 2: Breakdown of procurements by types of goods and services, and by contract type  
(Upper col.: Number of contracts, Lower col.: Value(100 mil. Yen))

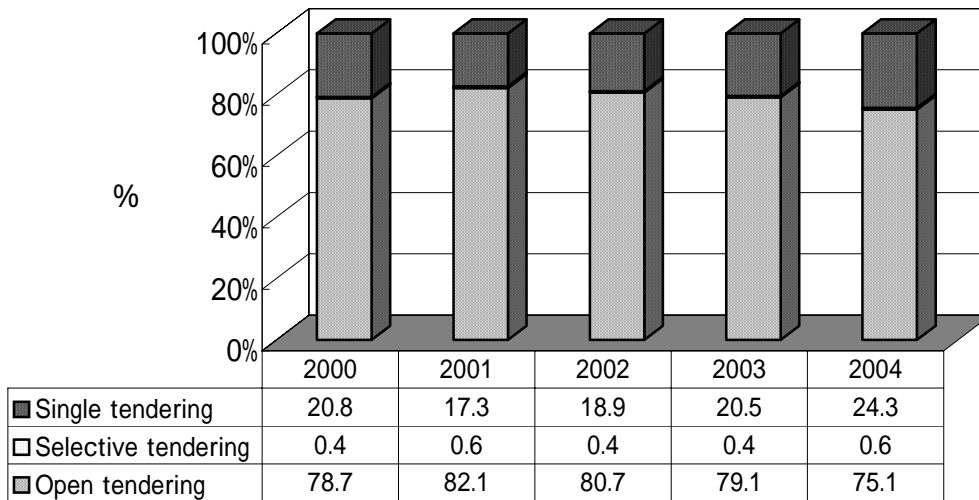
	Total	Open tendering	Selective tendering	Single tendering
Goods	10,030	8,392 (83.7)	69 (0.7)	1,569 (15.6)
	6,190	3,809 (61.5)	180 (2.9)	2,201 (35.6)
Services	3,388	1,689 (49.9)	8 (0.2)	1,691 (49.9)
	4,395	1,925 (43.8)	3 (0.1)	2,467 (56.1)
Total	13,418	10,081 (75.1)	77 (0.6)	3,260 (24.3)
	10,585	5,734 (54.2)	183 (1.7)	4,668 (44.1)

(Note) Figures in parentheses: Ratio(%)

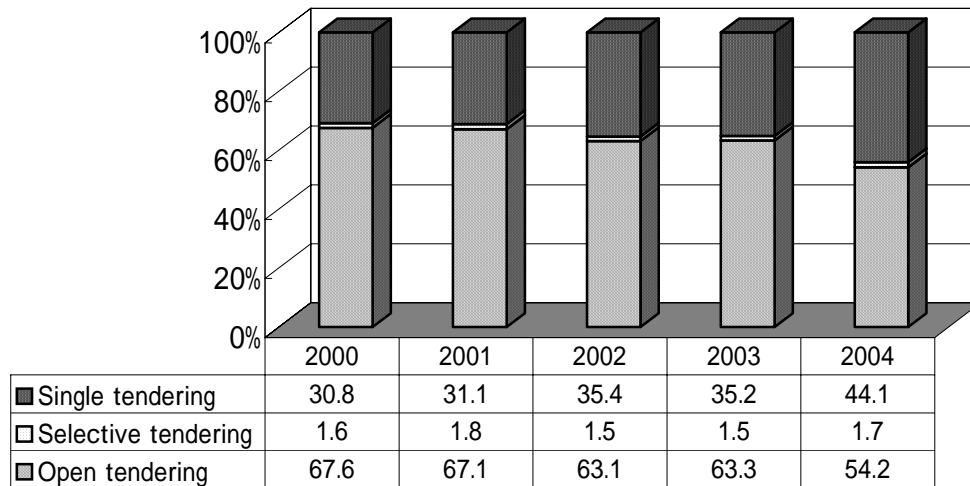
### 3. Trends in Procurement Breakdown by Type of Contract (5 year period)

In 2004, the open tendering keeps occupying a large portion of the total, in terms of the number of contracts. On the contrary, the single tendering is increasing in terms of value basis, which is about 44% in 2004.

**Table 3-1 Change in the composition of tendering types  
(Number of contract basis)**



**Table 3-2: Change in the composition of tendering types  
(Value basis)**



#### 4. Grounds for Selective Tendering Procedures

The contracts through selective tendering procedures keep low level. In 2004 the contracts through selective tendering are less than 1% of the total.

Table 4-1 Total number of selective tendering procedures (Number of contracts)

	2001	2002	2003	2004
Total	82 (0.6)	60 (0.4)	68 (0.4)	77 (0.6)

(Note) Figures in parentheses: Ratio(%)

Table 4-2 Reasons for selective tendering procedures (Number of contracts)

Reasons	2 0 0 4
Only a small number of suppliers is expected to tender because of the nature or the purpose of the contract	7 5
Use of open tendering is expected to be disadvantageous for procuring entities	2
Others	0
Total	7 7

## 5. Breakdown of Grounds for Single Tendering Procedures

Of the reasons listed in the 15th Article of the WTO Agreement on Government Procurement as the conditions of single tendering procedure, the ones most often cited for the adoption of single tendering procedures were that "a change of supplier would harm interchangeability with already existing products or equipment" and that "in the absence of tenders in response to an open or selective tender." As in 2004, these reasons accounted for about 73 percent of cases.

Table 5: Reasons for use of single tendering procedures

Reasons	2002	2003	2004
	Number of contracts	Number of contracts	Number of contracts
	Ratio (%)	Ratio (%)	Ratio (%)
In the absence of tenders in response to an open or selective tender	<b>698</b>	<b>704</b>	<b>1,001</b>
	23.5	22.0	30.7
When, for works of art or for reasons connected with protection of exclusive rights, such as patents or copyrights, or in the absence of competition for technical reasons, the products or services can be supplied only by a particular supplier	<b>749</b>	<b>834</b>	<b>800</b>
	25.2	26.1	24.5
When, for reasons of extreme urgency, the products could not be obtained in time by means of open or selective tendering procedures	<b>68</b>	<b>39</b>	<b>28</b>
	2.3	1.2	0.9
A change of supplier would harm interchangeability with already existing products or equipment	<b>1,380</b>	<b>1,575</b>	<b>1,373</b>
	46.4	49.3	42.1
When an entity procures prototypes or a first product which are developed at its request	<b>65</b>	<b>29</b>	<b>16</b>
	2.2	0.9	0.5
Others	<b>15</b>	<b>13</b>	<b>42</b>
	0.5	0.4	1.3
<b>Total</b>	<b>2,975</b>	<b>3,194</b>	<b>3,260</b>

## 6. Ratio of Foreign Supplier's Awards

The ratio of foreign supplier's awards accounted for about 2.0% on the number of contracts basis and 3.7% on value basis in 2004.

Table6-1: Ratio of Procurement from Foreign Suppliers (%)

	2002		2003		2004	
	Procurement value	Number of contracts	Procurement value	Number of contracts	Procurement value	Number of contracts
Ratio	4.2	2.1	4.2	2.7	3.7	2.0

Table 6-2: Nation s Origin in the Foreign Supplier s Award

	Number	Value(100 million yen)
USA	130	301.2
EU	81	63.4
Others	60	24.7
Total	271	389.3

## 7. Ratio of Foreign Tenders and Foreign Awards

In 2004, foreign suppliers' ratio is still low in that of both tenders and awards. On the contrary, foreign suppliers' ratio of awards is higher than that of tenders.

Table 7: Ratio of Foreign Suppliers Tenders and Awards to them in 2004 (%)

Method for Procurement Contract	Ratio of tenders (previous year )	Ratio of awards or ratio of contract (previous year)
Competitive tendering procedures	0.8 (0.7)	1.5 (1.1)
Single tendering procedures	-	3.8 (3.9)

(Note 1) Ratio of tender: The number of foreign tenders/The total number of tenderers

Ratio of awards: The number of contracts awarded to foreign tenderers/The total number of tenderers in open and selective tendering procedures

Ratio of contracts: The number of contracts made by foreign suppliers/The number of single-tendering procedures

## 8. Proportion of Foreign Goods and Services

In 2004, foreign goods and services accounted for about 9.7 % of the total procurement spending, and 18.6 % of the total number of contracts.

Table8: Ratios of Foreign Products and Services (%)

	2002	2003	2004
Procurement value	13.8(17.1)	12.1(14.5)	<b>9.7(13.1)</b>
Number of contracts	20.3(24.8)	18.4(23.1)	<b>18.6(24.0)</b>

(Note 1) Figures in parentheses are for procurement of goods only.

### 9. Breakdown of Foreign Products and Services by Place of Origin

In 2004, products and services from the United States accounted for approximately 54% on the value basis and about 40% on the number of contracts basis.

Table9-1: Breakdown of Foreign Products and Services by Place of Origin (value basis)  
(100 million yen, %)

Place of origin	2002	2003	2004
	Procurement Value	Procurement Value	Procurement Value
	Ratio	Ratio	Ratio
U S A	779.4	664.2	<b>547.6</b>
	58.2	54.9	<b>53.6</b>
E U	366.5	370.6	<b>249.0</b>
	27.3	30.6	<b>24.4</b>
Others	194.3	175.0	<b>225.4</b>
	14.5	14.5	<b>22.1</b>
Total	1,340.2	1,209.7	<b>1,022.1</b>

Table9-2: Breakdown of Foreign Products and Services by Place of Origin  
(number of contracts basis)

Place	2002	2003	2004
	Procurement Value	Procurement Value	Procurement Value
	Ratio	Ratio	Ratio
U S A	1,445	1,274	<b>999</b>
	45.2	44.3	<b>39.9</b>
E U	722	744	<b>470</b>
	22.6	25.9	<b>18.8</b>
Others	1,032	859	<b>1,032</b>
	32.3	29.9	<b>41.3</b>
Total	3,199	2,877	<b>2,501</b>

## 10. Procurement Value by Product Categories and Foreign Ratios

Table 10 shows government procurement by product categories (value basis) and presents the ratio of foreign products.

The total value of procurement of goods amounted to approximately 619.0 billion yen. The item that has the largest shares is "office machines and automatic data processing equipment" (personal computers, typewriters, projection screens, etc.). This category accounted for about 30% of total procurement value.

The categories with high ratio of foreign products are "Aircraft and associated equipment" (aircraft, balloon, propeller, parachute, etc.) (about 94%), and "Mineral products" (soil and rocks, crude heavy oil, metal ores, etc.) (about 66%).

Table10: Total Procurements by Product Categories (2004)

(100 Million Yen, %)

Products	Total Value (difference between 2003 and 2004)	Foreign Share (%)
Products from agriculture and from agricultural and food processing	1 . 9 (+0.6)	49 . 5
Mineral products	177 . 7 (+36.3)	65 . 7
Products of the chemical and allied industries	67 . 3 (+22.9)	38 . 4
Medicinal and pharmaceutical products	315 . 2 (+35.5)	31 . 1
Artificial resins; rubber, raw hides and skins; leather; and articles thereof.	8 . 3 (-22.2)	7 . 7
Wood and articles of wood; paper making material; paper and paperboard and articles thereof.	915 . 8 (+740.1)	0 . 0
Textiles and textile articles; thread for spinning and weaving; and articles thereof.	58 . 6 (-29.1)	0 . 3
Articles of stone, of cement and similar materials; ceramic products; glass and glassware; and articles thereof.	1 . 6 (+1.2)	0 . 0
Iron and steel and articles thereof	108 . 1 (-2.6)	0 . 4
Non-ferrous metals and articles thereof	49 . 5 (+2.1)	6 . 0
Power generating machinery and equipment	62 . 7 (+2.8)	55 . 6
Machinery specialized for particular industries	74 . 5 (-19.1)	19 . 8
General industrial machinery and equipment	31 . 7 (-16.5)	20 . 1
Office machines and automatic data processing equipment	1 , 900 . 0 (-1,044.9)	5 . 6
Telecommunications and sound recording and reproducing apparatus and equipment	402 . 7 (-95.1)	2 . 2
Electrical machinery, apparatus and appliances, and electrical parts thereof	152 . 3 (-16.2)	4 . 5
Road Vehicles	279 . 2 (-44.3)	0 . 3
Railway vehicles and associated equipment	74 . 6 (+23.2)	44 . 5
Aircraft and associated equipment	57 . 1 (+20.6)	94 . 0
Ships, boats and floating structures	17 . 4 (-79.3)	3 . 5
Sanitary, plumbing and heating equipment	2 . 8 (+1.0)	0 . 0
Medical, dental, surgical and veterinary equipment	333 . 0 (-49.3)	41 . 1
Furniture and parts thereof	44 . 7 (-7.9)	0 . 0
Scientific and controlling instruments and apparatus	609 . 6 (-468.5)	19 . 4
Photographic apparatus and equipment, optical goods, and clocks	70 . 9 (-23.4)	17 . 2
Miscellaneous articles	372 . 6 (+106.9)	8 . 1
Total	6 , 189 . 9 (-925.5)	13 . 1

## 11. Procurement Value by Service Type and Foreign Ratios

Table 11 shows government procurement by service categories (value basis) and presents the ratio of foreign services.

The total value of procurement of services amounted to 439.5 billion yen and 80 % (350.2 billion yen) of the total is shared by "computer and related services," (computer programming, data processing, etc.).

Table11: Total procurements by type of services (2004) (100 million Yen, %)

Services	Total value (difference between 2003 and 2004)	Foreign Share (%)
Maintenance and repair services of motor vehicles	0 . 0 (-124.3)	0 . 0
Maintenance and repair services of motorcycles and snowmobiles	0 . 0 (0)	0 . 0
Other land transport services (except Mail transportation by land)	1 4 1 . 4 (+70.1)	0 . 0
Rental services of sea-going vessels with operator	9 . 7 (+0.9)	0 . 0
Rental services of non-sea-going vessels with operator	0 . 0 (0)	0 . 0
Air transport services ( except Mail transportation by air)	6 . 1 (-3.1)	0 . 0
Freight transport agency services	5 . 2 (+2.5)	0 . 0
Courier services	0 . 3 (-0.2)	0 . 0
Telecommunications services	5 1 . 8 (-1.5)	2 1 . 3
Computer and related services	3 , 5 0 1 . 7 (+1,494.9)	5 . 6
Market research and public opinion polling services	2 2 . 0 (+9.1)	0 . 0
Advertising services	1 9 8 . 3 (+57.2)	0 . 7
Armored car services	6 0 . 3 (+40.9)	0 . 0
Building-cleaning services	1 5 3 . 7 (-7.8)	0 . 0
Publishing and printing services	5 0 . 3 (-11.3)	0 . 0
Repair services incidental to metal products, machinery and equipment	8 5 . 3 (+2.7)	1 . 7
Sewage and refuse disposal, sanitation and other environmental protection	3 0 . 3 (+1.1)	0 . 0
other	7 8 . 7 (-43.2)	1 . 9
<b>Total</b>	<b>4 , 3 9 5 . 2 (+1,487.9)</b>	<b>4 . 8</b>

## 12. Procurement Contracts by Product Categories and Foreign Ratios

Table 12 shows government procurement by product categories (number of contracts basis) and foreign product ratios.

The total number of product procurement amounted to 10,030, and the items that have large shares are "photographic apparatus and equipment, optical goods, and clocks" (film, cameras, projectors, chronometers, etc.) and "medicinal and pharmaceutical products." These categories accounted for over 40% of the total.

The categories with high foreign ratio are "Mineral products" (soil and rocks, crude heavy oil, metal ores, etc.) (about 91%) and "Aircraft and associated equipment" (about 67%).

Table12: Number of Procurement Contracts by Product Categories (2004) (number of contracts, %)

Products	Total Number (difference between 2003 and 2004)	Foreign Share (%)
Products from agriculture and from agricultural and food processing	7 (-4)	57.1
Mineral products	843 (-42)	91.1
Products of the chemical and allied industries	180 (+28)	4.4
Medicinal and pharmaceutical products	1,573 (-453)	32.3
Artificial resins; rubber, raw hides and skins; leather; and articles thereof.	30 (-30)	3.3
Wood and articles of wood; paper making material; paper and paperboard and articles thereof.	303 (-112)	0.3
Textiles and textile articles; thread for spinning and weaving; and articles thereof.	151 (-43)	0.7
Articles of stone, of cement and similar materials; ceramic products; glass and glassware; and articles thereof.	4 (+2)	0.0
Iron and steel and articles thereof	54 (+8)	1.9
Non-ferrous metals and articles thereof	84 (+4)	4.8
Power generating machinery and equipment	84 (-12)	1.2
Machinery specialized for particular industries	101 (+16)	8.9
General industrial machinery and equipment	198 (-30)	4.5
Office machines and automatic data processing equipment	872 (-293)	5.3
Telecommunications and sound recording and reproducing apparatus and equipment	294 (-75)	2.7
Electrical machinery, apparatus and appliances, and electrical parts thereof	341 (-22)	25.2
Road Vehicles	422 (-84)	0.2
Railway vehicles and associated equipment	30 (+14)	23.3
Aircraft and associated equipment	18 (-13)	66.7
Ships, boats and floating structures	34 (+9)	14.7
Sanitary, plumbing and heating equipment	12 (+3)	0.0
Medical, dental, surgical and veterinary equipment	434 (-107)	36.2
Furniture and parts thereof	155 (-110)	0.0
Scientific and controlling instruments and apparatus	842 (-494)	27.8
Photographic apparatus and equipment, optical goods, and clocks	2,544 (-134)	19.7
Miscellaneous articles	420 (+30)	8.1
Total	10,030 (-1,944)	24.0

### 13. Procurement Contracts by Service Type and Foreign Ratios

Table 13 shows government procurement by service categories (number of contracts basis) and foreign service ratios.

The total number of service procurement amounted to 3,388 and about 58% (1,950) of the total is shared by "computer and related services." (computer programming, data processing, etc.)

Table13 Number of procurement contracts by type of services(2004) (number of contracts, %)

Services	Total Number (difference between 2003 and 2004)	Foreign Share (%)
Maintenance and repair services of motor vehicles	0 (-11)	0 . 0
Maintenance and repair services of motorcycles and snowmobiles	0(0)	0 . 0
Other land transport services (except Mail transportation by land)	1 2 3 (+13)	0 . 0
Rental services of sea-going vessels with operator	9 (-1)	0 . 0
Rental services of non-sea-going vessels with operator	0(0)	0 . 0
Air transport services ( except Mail transportation by air)	8 (-2)	0 . 0
Freight transport agency services	1 1 (+5)	0 . 0
Courier services	1 (-1)	0 . 0
Telecommunications services	1 1 1 (+36)	1 0 . 8
Computer and related services	1, 9 5 0 (-40)	3 . 9
Market research and public opinion polling services	3 1 (+9)	0 . 0
Advertising services	1 6 2 (-16)	1 . 2
Armored car services	4 5 (-52)	0 . 0
Building-cleaning services	4 4 7 (-51)	0 . 0
Publishing and printing services	1 3 2 (-31)	0 . 0
Repair services incidental to metal products, machinery and equipment	1 5 5 (-34)	1 . 9
Sewage and refuse disposal, sanitation and other environmental protection	1 1 1 (-4)	0 . 0
other	9 2 (-59)	2 . 2
<b>Total</b>	<b>3 , 3 8 8 (-239)</b>	<b>2 . 8</b>

#### 14. Utilization of Overall-Greatest-Value Evaluation Method (OGV)

The voluntary measures (Procedures for Government Procurement of Products [Operational Guidelines]) encourage the adoption of the Overall-Greatest-Value evaluation method (OGV) where the lowest-price-award method is deemed inadequate. In addition, in the areas of computer products and services, telecommunications products and services, and medical technology products and services, when large procurement is conducted, it is obligatory in the voluntary measures to apply the OGV.

In 2004, the OGV was adopted in 511 procurements, representing about 4 % of total procurement. Of these contracts, 76 were awarded to foreign products and services.

Table14: Implementation of Overall-Greatest-Value Evaluation Method

		Number of contracts		
		2002	2003	2004
Contracts on a domestic /foreign basis	Domestic products and services	5 1 6	4 3 2	<b>4 3 5</b>
	Foreign products and services	1 4 0	6 8	<b>7 6</b>
Total		6 5 6	5 0 0	<b>5 1 1</b>
Ratio (%)		4 . 2	3 . 2	<b>3 . 8</b>

#### 15. Response to Requests for Comments

Responses to pre-bid requests for submission of materials and comments on draft specifications are illustrated in Table 15-1 and Table 15-2.

Table15-1: Response to Requests for Submission of Materials

(Number of responses)

	2002	2003	2004
Only Japanese suppliers answered	2 6 1	1 6 1	<b>1 5 2</b>
Only foreign suppliers answered	0	6	<b>5</b>
Both sides answered	7 9	4 2	<b>4 2</b>
Neither sides answered	5	3	<b>1</b>
Total	3 4 5	2 1 2	<b>2 0 0</b>

Table15-2: Response to Requests for Comments on Draft Specifications  
(Number of responses)

	2002	2003	2004
Only Japanese suppliers answered	4 2 1	3 9 5	<b>2 9 0</b>
Only foreign suppliers answered	3	1 0	<b>1 0</b>
Both sides answered	1 0 8	9 7	<b>7 2</b>
Neither sides answered	4 7	6 2	<b>3 8</b>
Total	5 7 9	5 6 4	<b>4 1 0</b>

#### 16. Average Period for the Receipt of Tenders

Under the current WTO Agreement on Government Procurement, the period for the receipt of tenders from the date of publication of the Notice of Invitation to Tender is set at a minimum of 40 days. In addition, a Japanese Government voluntary measure, "Understanding on Government Procurement" issued in November 1991 stipulates that the period should be no less than 50 days. Table 16 shows that the period of 50 days has been secured.

Table16: Average period for the receipt of tenders

	2002	2003	2004
Average period for the receipt of tenders	5 3 . 3	5 5 . 2	<b>6 2 . 7</b>

## 17. Government Procurement Seminars

In order to explain the planned procurement published in the official gazette (kanpo) in details, the Ministry of Foreign Affairs and each procurement entity hold government procurement seminars at the beginning of, or as early as possible in, the fiscal year. (The seminar hosted by the Ministry of Foreign Affairs was held on April 27, 2004.)

Table17; Attendance at Government Procurement Seminars

Classification		2002	2003	2004
Hosted by the Ministry of Foreign Affairs	Number of domestic attendants	9 2	8 4	<b>6 2</b>
	Number of foreign attendants	2 8	2 0	<b>3 2</b>
Hosted by other entities	Number of domestic attendants	5 1 6	4 7 3	<b>4 1 7</b>
	Number of Foreign attendants	4 4	4 0	<b>4 0</b>
Total		6 8 0	6 1 7	<b>5 5 1</b>

## 18. Entities with Large Ratios in Procurement Values and the Number of Contracts

Table18: Entities with large procurement (number of contracts and value basis) (2004)

Rank	Number of contracts	Value
1	National Hospital Organization (21.8)	Japan Post (14.2)
2	National University Corporation (9.8)	Japan Finance Corporation for Municipal Enterprises (10.5)
3	Ministry of Land, Infrastructure and Transport (8.5)	Ministry of Health, Labour and Welfare (9.4)
4	Defense Agency (7.7)	Ministry of Land, Infrastructure and Transport (9.0)
5	Ministry of Education, Culture, Sports, Science and Technology (7.6)	Ministry of Finance (8.7)
6	Ministry of Finance (6.8)	National University Corporation (7.0)
7	Japan Post (5.6)	National Police Agency (4.4)
8	Ministry of Health, Labour and Welfare (3.3)	Ministry of Education, Culture, Sports, Science and Technology (3.9)
9	Ministry of Agriculture, Forestry and Fisheries (2.6)	Ministry of Internal Affairs and Communications (2.4)
10	Ministry of Justice (1.5)	Ministry of Justice (2.2)

(Note) Figures in parentheses: Ratio(%)