

The revised GPA text: relations to coverage negotiations and possible ways forward

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I

The 1994 GPA:

Structure and content of Appendix I

Structure of Appendix I

- ➔ Entity coverage specified in three Annexes
 - *Annex 1 – Central level entities*
 - *Annex 2 – Sub-central level entities*
 - *Annex 3 – Other entities*

- ➔ Coverage of services and construction services in two Annexes
 - *Annex 4 – Services*
 - *Annex 5 – Construction services*

- ➔ Specific thresholds

- ➔ Individual Notes by Annex

- ➔ General Notes – to be specified in a different Annex

Coverage- entities- annex 1, 2 and 3

→ Annex 1 Central authorities

Main approach: positive list

→ Annex 2 Sub-central authorities

– *Positive list*

– *Catch all clause with generic definition and indicative list*

→ Annex 3 Other entities

– *Different types of entities covered*

– *Positive list*

– *Catch all clause with generic definition and indicative list*

Thresholds- General levels

Entities	Goods (SDR)	Services (SDR)	Construction Services (SDR)
Annex 1	130,000	130,000	5,000,000
Annex 2	200,000	200,000	5,000,000
Annex 3	400,000	400,000	5,000,000

Coverage- goods

- In principle, all goods covered (subject to derogations in Appendix I and in text (Art XXIII of GPA 1994))
- Suggestion to insert a "goods" annex
- Positive list of non-sensitive procurement of goods by defence / security entities covered under the Agreement

Coverage- services- annex 4 and 5

→ Services listing

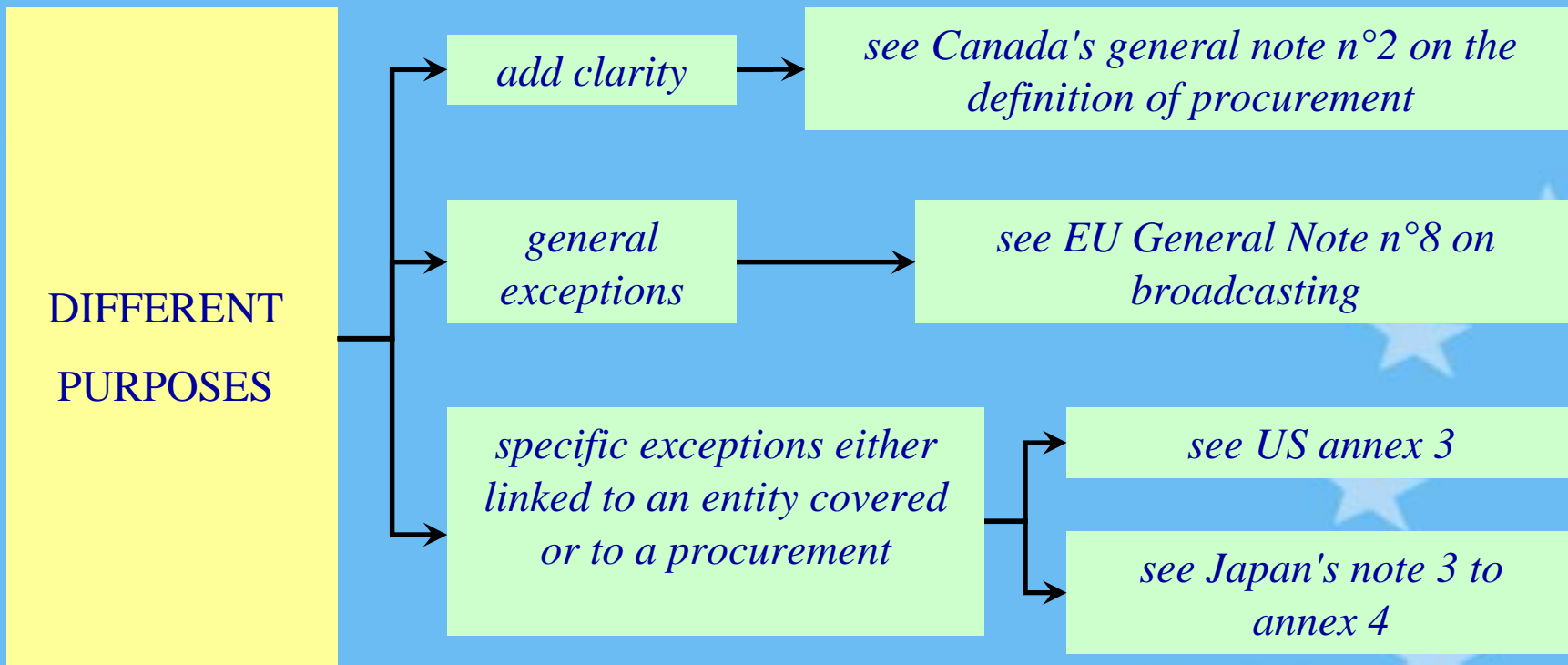
- negative list /positive list
- majority of Parties: explicit reference to Universal List of Services (MTN.GNS/W/120)

→ Construction services

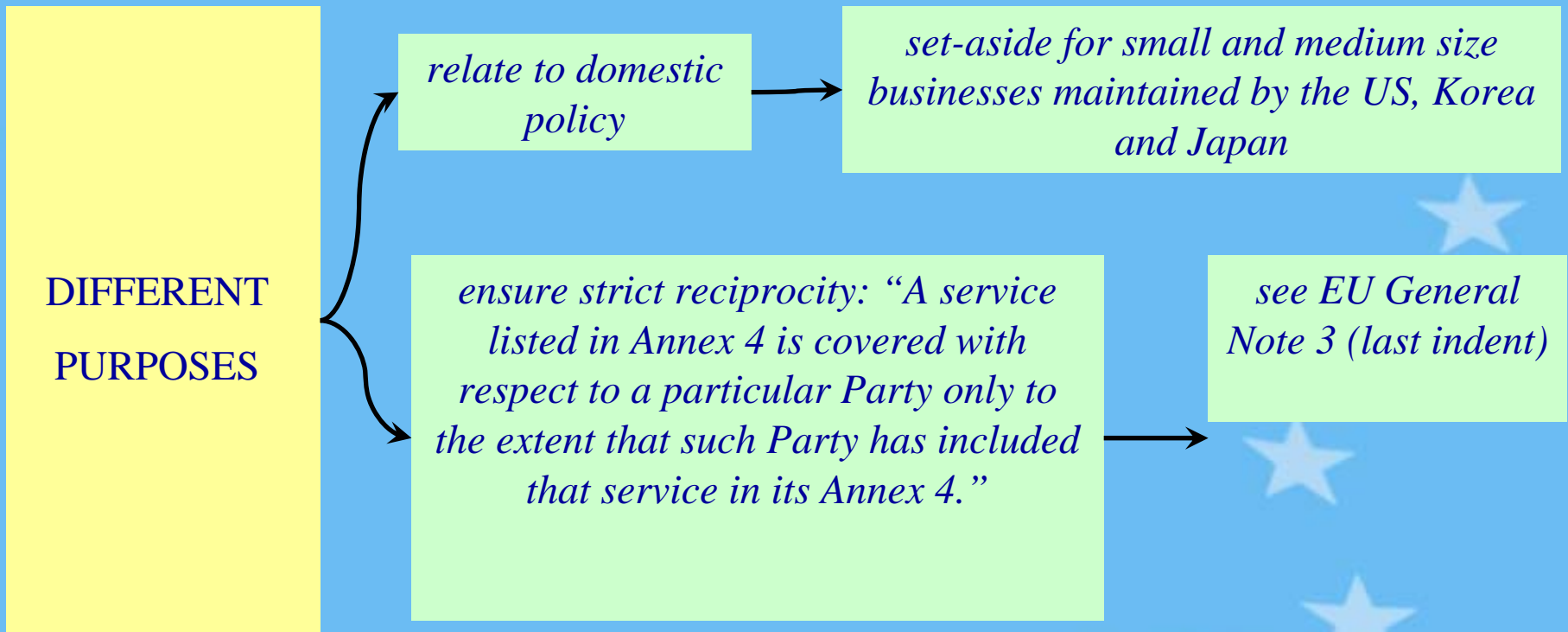
- most Parties: by reference to UN Provisional CPC, Division 51
- mix of positive and negative listing

→ Some Parties: linkage to GATS specific commitments

Notes and derogations (1)



Notes and derogations (2)



Country specific derogations

Purpose

aim at correcting the perceived imbalances in coverage

Location

in most of the GPA Parties 'General Notes

Examples

US General Note 6: "for construction services of Korea and suppliers of such services the Agreement only applies to procurement of the entities listed in annex 2 and 3 above a threshold of 15 million SDR"

Norway General Note 1 "Norway will not extend the benefits of the Agreement as regards procurement by entities listed in annex 2 to the suppliers and service providers of Canada"



Market access negotiations:

state of play and way forward

Basis for the negotiations

- **Mandate:** article XXIV.7 b) and c) of the 1994 GPA
- **The modalities decision** of the GPA Committee dated 16 July 2004 and its addendum dated 21 July 2005
- **The decision of the Committee dated from December 2006** which provides that a final agreement on the text is subject to a mutually satisfactory outcome to the coverage negotiations.

Main objectives of the market access negotiations

- **Improve the Agreement**
- Achieve the **greatest possible expansion of coverage** on the basis of mutual **reciprocity**
- **Avoid introducing or prolonging discriminatory measures and seek to eliminate current ones**

How do we negotiate?

→ **Usual WTO process:** exchange of requests and offers

→ **Role of the Committee:**

- Stocktaking session
- List of market access-related matters to be negotiated in the Committee as a whole

List of horizontal market-access related matters

→ issues relating to the **substance**

Ex:

- *uniform level of coverage of the entities covered by the Agreement*
- *the treatment of SMEs*

→ issues relating to the **presentation of the annexes**

Ex: simplification and clarification of the General Notes

State of play and way forward

- Most of the GPA Parties have tabled an initial request, and an initial/revised offer
- Negotiations are ongoing
- Many challenges ahead
- Ultimate goal: make the future Agreement more attractive for WTO members to join

THANK YOU!

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