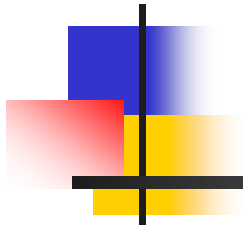


Market Access Opportunities under the GPA



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Historical Perspective

- Government procurement excluded in first 30 years of multinational trading system.
- First government procurement agreement (GATT Code on Government Procurement) in 1981.
 - Limited to goods purchased by central government entities.
- Expansion with establishment of WTO/GPA in 1996 to include:
 - Services
 - Sub-central government entities
 - Government enterprises (and other entities)



Benefits of Market Access under GPA

- Government procurement generally constitutes 10-15% of GDP.
- Access to wide variety of market access opportunities in government procurement of 41 WTO Members.
- Assures foreign suppliers of ability to participate in procurement on same basis as domestic suppliers.
- A U.S. law generally prohibits federal agencies from purchasing goods or services covered by the GPA from any country that is not a Party to the GPA or an FTA.
- That means that non-GPA Parties do not have access to U.S. federal procurement covered by GPA – more than \$800 billion in 2007.



GPA Market Access: Balances Interests

- Balances interests of governments and suppliers
- Governments
 - Not expected to open all procurement
 - Specify the procurement to be opened to foreign suppliers
 - Covered procurement reflects differences in government structures
- Suppliers
 - Certainty that they will be given fair market access opportunities
 - Participation facilitated by increased use of electronic procurement



Annex 1 - Central Government: Scope of Coverage

- Annex 1 coverage based on:
 - Positive lists (Most Parties specify entities covered)
 - Description/category coverage
- Executive/Administrative
 - Parties cover all or most central government entities.
- Judiciary
 - Several Parties cover courts
- Legislature
 - Several Parties cover legislative bodies



Central Government Entities: Market Access under GPA

- EC: 2 EU-wide entities and entities for each Member State
- More than 100 entities: Norway and Switzerland
- 75 to 85 entities: Canada and United States
- 40 to 60 entities: Hong Kong China and Korea
- 20 to 25 entities: Japan and Singapore
- Less than 10 entities: Aruba, Iceland, and Liechtenstein



Annex 2 - Sub-central Entities: Approaches to Coverage

- Two approaches to GPA coverage of sub-central entities
 - Positive list of specific entities
 - Coverage by sectors not listing of entities
- Type of coverage depends on governmental structure
 - Centralized procurement systems
 - Federal systems



Sub-central Entities: Market Access under GPA

- Listing of entities
 - Israel: 3 entities
 - Japan: all prefectures plus large cities
 - Korea: 15 sub-central entities including large cities
 - Switzerland: 26 Cantons
 - United States: 37 states
- Coverage by definition
 - EC, Iceland, Liechtenstein and Norway



Annex 3 - Government Enterprises and Other Entities: Approaches to Market Access

- Two approaches to GPA market access to procurement of government enterprises and other entities
 - Listing of specific entities
 - Coverage by sectors with no listing of entities (or partial listing)



Government Enterprises and Other Entities: Market Access under GPA

- Coverage of specific entities
 - More than 130 entities: Japan
 - 10 to 25 entities: Israel, Korea, Singapore and United States
 - Less than 10 entities: Hong Kong China and Aruba
- Coverage by sectors
 - EC, Iceland, Liechtenstein, Norway and Switzerland
 - Sectors covered: electricity, urban transport, airports ports and water.



Access to Procurement of Goods under GPA

- Goods

- Basic premise: all goods are covered, unless explicitly excluded
- Access to procurement of defense goods generally based on positive list



Access to Procurement of Services under GPA

- Services (and Construction Services)
 - Positive list that provides access only to listed services
 - Used by all Parties except United States
 - Negative list that provides access to all services except those listed
 - Only used by the United States