Korea's experience from the Accession of GPA

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Overview of Korea's GP Market('04)

	Total	Percentage
Central Government	123,877	58%
Sub-central Government	25,119	11%
Other entities	64,220	31%
Total	223,216	100%

(100million won)

Why did Korea decide to join GPA?

1. Request from the US

- 1989, National Trade Estimate Report
- 1989, Korea expressed its willingness to accede GPA
- 1990, Korea-US Telecommunication negotiation, reached to an agreement

Negotiation History

- 1990. June, notification to WTO
- 1991. April, Request to join expansion negotiation
- 1993. December, submission of its final concession
- 1994. April. Signature to GPA
- 1994. December Consent from National Assembly for ratification
- 1995. December, to the Secretariat
- 1997. January, Entry into force

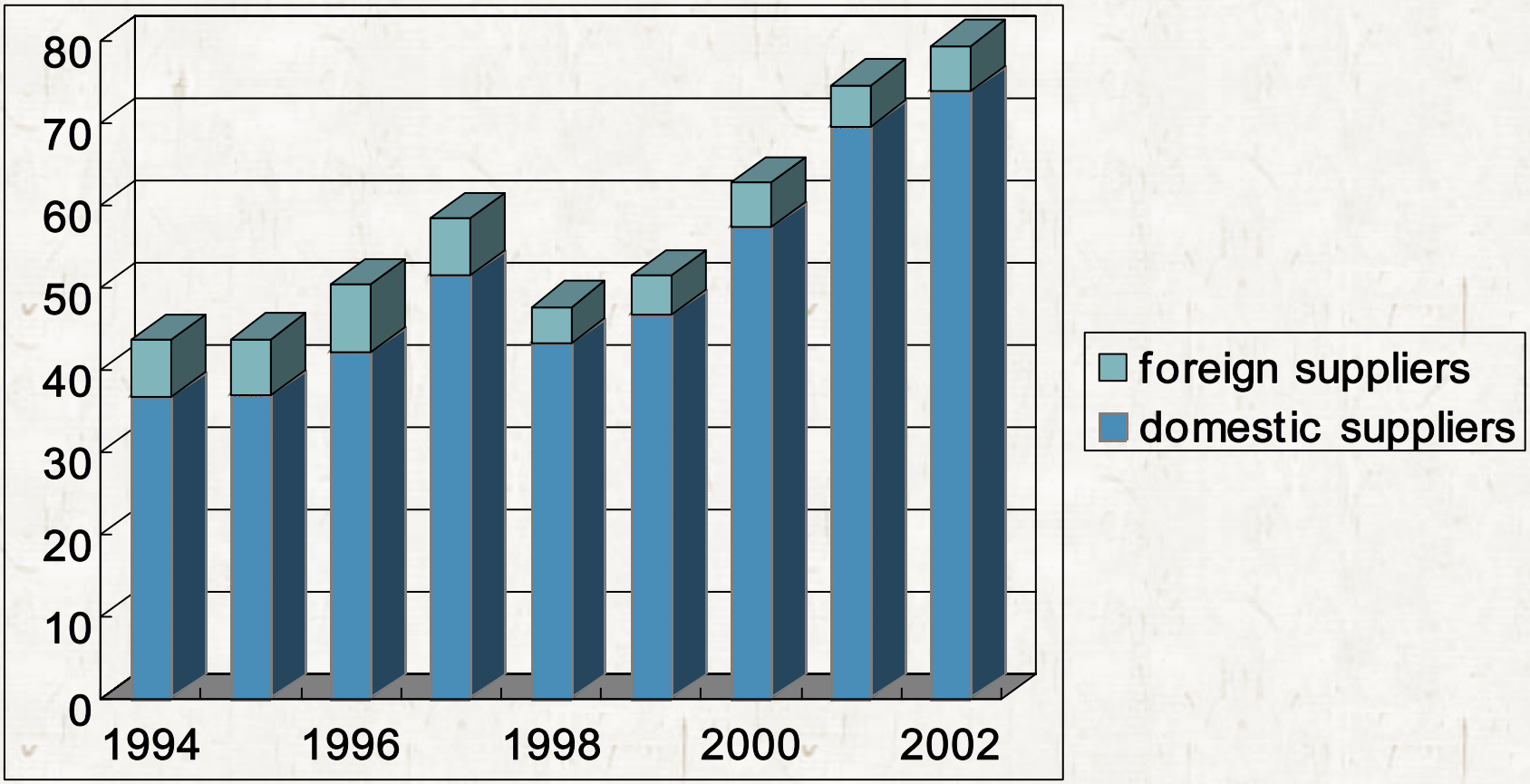
Expectations

- Enhancement of MA
- Increase of export to service procurement market including construction service
- Possibility to purchase better quality product from foreign suppliers
- Possible damage to some sectors

- heavy machinery: -34.7%

- general industrial machinery: -35.9%

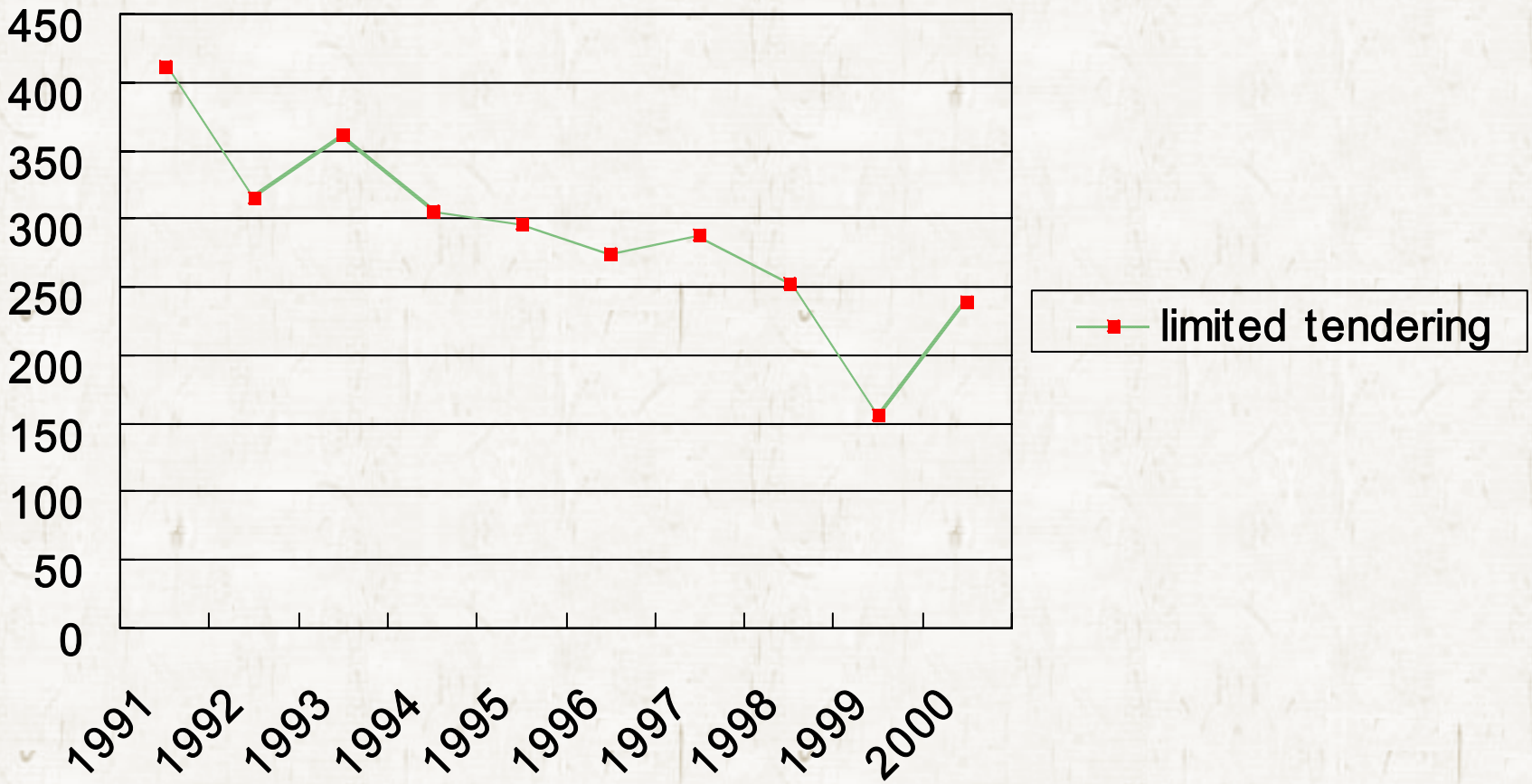
Result 1. Imports (Procurement Office)



Why?

- Increase of qualities
- Financial crises

Decrease of limited tendering



No much impact on exports

- Systematic problems in GPA

  - positive methods, high thresholds
- Major markets for Korea were non GPA members
- Lack of competitiveness
- Use of Agents
- Lack of time for the preparation of documents

Other Effects

- Legislation on the Government Procurement procedures
- Increase of Transparency
- Decrease of purchasing prices

- 93~95: -5.8% (import: -18.5%)
- 96~98: -8.5% (import: -23.1%)

Lessons

- Comparably long period until the final conclusion of the negotiations for the accessions
- No much impacts on trade
- Introduction of the market principles to GP procedures
- Reduction of the purchasing prices