Accession to the GPA: current state of play, process and procedures, and benefits and challenges

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Contents of presentation

Accession to GPA
Current state of play
Process and procedures
Benefits and challenges
We are a growing family!
Recently acceded members/concluded negotiations:
- Armenia, 15 Sep. 2011
- Croatia, 1 July 2013
- Montenegro, 15 July 2015
- New Zealand, 12 Aug. 2015
- Moldova, Decision adopted on 16 Sep. 2015

Ongoing/pending accessions:
- Ukraine
- Australia
- Tajikistan
- China
- Albania, Georgia, Jordan, the Kyrgyz Republic, Oman

Members with GPA accession commitments:
the former Yugoslav Republic of Macedonia, Mongolia, the Russian Federation, Saudi Arabia, Seychelles
Observer status

30 WTO Members are observers in the GPA Committee:
- Argentina, Bahrain, Cameroon, Chile, Colombia, Costa Rica,
  India, Indonesia, Malaysia, Panama, Pakistan, Sri Lanka,
  Thailand, Viet Nam, etc.

Brings a lot of benefits, but costs nothing!

To track the discussions in the GPA Committee by:
- attending the Committee meetings;
- receiving GPA documents; and
- voicing your positions (may not be accepted but possible.)

To get prepared for potential future accessions or negotiations under other mechanism.

No indication on accession to the GPA!
So, why not come in?
Accession process and procedures

Initiation
- communication of interest in accession to the Agreement;
- submission of initial coverage offer; and
- circulation of replies to the checklist of issues.

Negotiation
- negotiations, either bilaterally or plurilaterally, in the Committee sessions or intersessionally;
- on both coverage offer and legislation adjustment.

Conclusion
- adoption of the Committee’s decision on the terms of accession;
- domestic ratification;
- deposit of accession instrument;
- entry into force.
Issues to be addressed

Coverage offer (reciprocity)

National legislation (alignment with the GPA requirements)

Main issues

Institutional requirements (domestic review)

Flexibilities (developing countries only, and if agreeable)
Flexibilities for developing countries

Eligibility

- developing countries, including LDCs.

Conditions

- based on the development needs;
- with the agreement of existing Parties.

Types of measures available

- transitional measures including price preference; offset; phase-in of covered entities or sectors; and gradual reduction of thresholds;
- deferred implementation of specific obligations.
Potential benefits of accession

- Trade gains from assured access to other Parties’ procurement markets and insulation from possible protectionist measures.
- Achieving enhanced value for money in acceding countries’ own procurement systems.
- Increased incentives for inbound foreign direct investment.
- Influence the terms of other Parties’ accessions.
- Influence the future evolution of the Agreement.
Potential challenges of accession

Direct costs of participating in relevant negotiations.

Costs of necessary institutional adaptations.

Adjustment costs for local firms/industry.
Identify and assess the offensive interests in preparing GPA accession negotiations

First step: identify sectors where your industries are competitive and have the export interest.

- Often the same with the findings in non-government procurement market;
- Domestic trade industry associations may help.

Second step: assess potential market access opportunities for domestic suppliers.

- Check the coverage schedules of existing GPA Parties;
- Check the statistics notified by Parties.

It is always difficult to ask existing Parties to make new concessions to an acceding member. But necessary for deciding what should be included in your own offer.
Identify and assess the defensive interests in preparing GPA accession negotiations

First step: identify sectors where your industries are in lack of competitiveness

- a programme by the government to protect enfant industries;
- How many years of protection needed?

Second step: consider about using the S&D treatment, or complete exemption from the offer.

- Price preference, offset, phase-in of commitments, deferred implementation;
- Capacity of supplier. Big market vs small domestic supply.
Thanks for your attention!