

Statement by Commissioner Michel Barnier on the formal adoption of the revised Government Procurement Agreement

The GPA Committee adopted the revision of the Government Procurement Agreement (GPA) and formally concluded the negotiations on 30 March. Political agreement to conclude the negotiations was reached at the Ministerial conference on 15 December 2011, when the Parties agreed on an updated set of tender rules and additional market access. The GPA Parties fulfilled the mandate issued by Ministers to complete the final legal verification swiftly and to prepare the agreement for the domestic ratification process.

The revised GPA shall enter into force and become legally binding upon ratification by two-thirds of the GPA Parties. The GPA covers most of the internationally committed trade in the domain of public procurement. Its annual global value is estimated at €500 billion. According to WTO estimates, the revision of the GPA will bring extra procurement opportunities worth around €100 billion. The new set of tender rules is likely to become the "golden standard" for international procurement.

Given the current economic situation worldwide, the GPA Parties have shown their commitment to international trade.

Internal Market Commissioner Michel Barnier, who conducted the negotiations said: "I am proud that we have resisted temptations of protectionism during these times of global crisis. We have broken down barriers, not increased them. The revised GPA will lead to more trade, growth and jobs in all GPA economies. I am glad that I can present such a result for consideration by the Council."

The main gains of the negotiation:

- More transparent rules for international public procurement: The international procurement of the GPA Parties will now be subject to more transparent rules. These rules are broadly similar to the EU's procurement rules, known for their fairness and clarity.
- New market access opportunities: The EU and the US expanded access to their central level entities, including important US Federal agencies. Canada offered access to procurement of its Provinces and Territories. Korea provides access to railway and urban transport procurement and Japan offered access to Public private partnerships and construction projects. Israel committed to phase out its offsets schedules and to lower its construction thresholds.
- Accessions and benefits for developing countries: The new text facilitates future accessions of other WTO members, including China and developing countries.
- Future work: The Parties agreed on work programmes that address issues such as sustainable procurement, support for small and medium enterprises and monitoring of exclusions and restrictions.

Background

The Agreement on Government Procurement (GPA) governs the procurement activities of its Parties and is the only legally binding agreement in the WTO on the subject of government procurement. It is a plurilateral treaty with 15 Parties:

Armenia, Canada, the EU, Hong Kong, Iceland, Israel, Japan, Korea, Liechtenstein, The Netherlands with respect to Aruba, Norway, Singapore, Switzerland, Chinese Taipei, and the United States.

For more information:

<http://ec.europa.eu/trade/creating-opportunities/trade-topics/public-procurement>

http://ec.europa.eu/internal_market/publicprocurement/rules/gpa-wto/index_en.htm