Conclusion of the KORUS FTA Government Procurement Negotiations


2. Main Contents of Chapter/Negotiations

1) Threshold for central government goods and services lowered from the current 200 million won to 100 million won, thus significantly furthering the opening of the U.S. government procurement market.

2) Human feeding programs exempted from scope of government procurement and the practice of requiring past procurement in the United States when participating in a procurement, including the award of a contract, prohibited (for the purposes of expanding opportunities for Korean businesses to participate in tendering processes).

3) BOT (Build-Operate-Transfer) and public works concession contracts included in the scope of the government procurement market and as such, a provision protecting small-and-medium-sized businesses introduced and threshold for construction services maintained at current level, thereby minimizing the possible impact of the FTA on local small and medium-sized construction companies.

4) In return for accepting the continued U.S. request to maintain the current GPA (WTO Government Procurement Agreement) level of concessions for U.S. state-level procurement markets, local governments and public enterprises excluded from the scope of the Chapter. Nonetheless, should be noted that as the U.S. has already made concessions for 37 states in the WTO GPA, the government procurement markets for these respective 37 states remain open in accordance with the WTO GPA.

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