Revised WTO Agreement on Government Procurement to come into force on 6 April 2014

The revised WTO Agreement on Government Procurement (GPA) will come into force on 6 April 2014, effectively two years from the date on which the Protocol amending the Agreement was adopted in March 2012. The Chairman of the WTO Committee on Government Procurement, Bruce Christie of Canada, confirmed that the threshold of acceptances by two-thirds of the Parties, which is required for the revised Agreement to come into force, had been met, with Israel accepting the Protocol on 7 March.

The revised Agreement streamlines and modernizes the Agreement’s text, for example by taking proper account of the widespread use of electronic procurement tools. It provides gains in market access for the Parties’ businesses that have been estimated as in the range of $80-100 billion annually. This results from the addition, to the Agreement’s scope of application, of numerous government entities (ministries and agencies) and the coverage of new services and other areas of the public procurement activities. The revision also incorporates improved transitional measures that are intended to facilitate accession to the Agreement by developing and least-developed economies.

The ten Parties that have, to date, accepted the Protocol to amend the Agreement are, in the order in which they have accepted it, Liechtenstein; Norway; Canada; Chinese Taipei; the United States; Hong Kong, China; the European Union; Iceland; Singapore and Israel.

The Chairman, Mr Christie, said that the prompt bringing into force of the revised agreement “shows the Parties’ firm commitment to the Agreement and augurs well for its future as an increasingly important element of the framework for global trade.”

The entry into force of the GPA is in keeping with Ministers’ undertaking at Bali to work hard to achieve this goal by the two year anniversary of the adoption of the GPA revision. Once again, Members can celebrate a successful outcome.

The Director General of the WTO, Roberto Azevêdo, said:

“This is a very welcome achievement. The revised WTO Agreement on Government Procurement will open markets and promote good governance in the participating Member economies. The fact this has been achieved so quickly shows the importance that the Parties attach to the GPA and is further evidence, after the successful Bali Package, that the WTO is back in business. The modernized text of the revised GPA and the expanded commitment to market access should prompt other WTO Members to consider the potential advantages of joining.”

The GPA is a plurilateral treaty that commits members to certain core disciplines regarding transparency, competition and good governance in the public procurement sector. It covers the procurement of goods, services and capital infrastructure by public authorities. The aim of the Agreement is to open up, as much as possible, government procurement markets to international competition and to help eradicate corruption in this sector.

In addition to the 43 WTO Members that already participate in the GPA, ten other WTO Members, including China, Moldova, Montenegro, New Zealand and Ukraine, are in the process of negotiating accession to it.