

7 April 2014

GOVERNMENT PROCUREMENT

Revised WTO Agreement on Government Procurement enters into force

The revised WTO Agreement on Government Procurement (GPA) entered into force on 6 April 2014, some two years after the Protocol amending the Agreement was originally adopted. The parties to the revised GPA will see gains in market access of an estimated US\$ 80 billion to US\$ 100 billion annually for their businesses.

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The gains in market access result from numerous government entities (ministries and agencies) being added to the scope of the GPA and from new services and other areas of public procurement activities being included in its expanded coverage.

The Agreement's text has been streamlined and modernized to include, for example, standards related to the use of electronic procurement tools. Other changes include a new provision relating to the prevention of corrupt practices in the parties' procurement systems. The revised GPA also reinforces the scope provided by the original Agreement to promote the conservation of natural resources and to protect the environment through the application of appropriate technical specifications.

Two-thirds of the parties to the GPA were required to accept the Protocol of Amendment before the revised GPA could enter into force. This condition was met when Israel approved the Protocol on 7 March.

[The revised Agreement](#) is now in force for the first ten parties to have accepted the Protocol of Amendment. Listed in order of acceptance, these are Liechtenstein, Norway, Canada, Chinese Taipei, the United States, Hong Kong (China), the European Union, Iceland, Singapore and Israel. The revision will come into force for Japan on 16 April 2014.

The entry into force of the revised GPA fulfils ministers' undertaking at the Bali Ministerial Conference in December 2013 to try their best to achieve this goal within two years of the adoption of the revised Agreement. The Chair of the Government Procurement Committee, Mr Bruce Christie of Canada, congratulated the parties and said that the timely coming into force "augurs well for the Agreement's future as an increasingly important element of the framework for global trade".

WTO Director-General Roberto Azevêdo had earlier noted: "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 market access commitments should prompt other WTO Members to consider the potential advantages of joining."

The revised Agreement also incorporates improved transitional measures to facilitate accession to it by developing and least-developed economies. In addition to the 43 WTO members that already participate in the GPA (including the European Union's 28 member states), ten other WTO members — Albania, China, Georgia, Jordan, the Kyrgyz Republic, Moldova, Montenegro, New Zealand, Oman and Ukraine — have applied to join. A further five WTO members — the former Yugoslav Republic of Macedonia, Mongolia, the Russian Federation, Tajikistan and Saudi Arabia — have provisions regarding accession to the Agreement in their respective WTO accession protocols.

Background

The Government Procurement Agreement ensures that signatories do not discriminate against the products, services or suppliers of other parties to the Agreement with respect to the government procurement opportunities that are opened to foreign competition. The Agreement also requires transparent and competitive purchasing practices in the markets covered. The GPA is a plurilateral agreement, which means that it applies only to those WTO members that have agreed to be bound by it.

