

Government Procurement in the Context of International Trade Negotiations:

Market Access Considerations

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Why Countries Trade

- **No single country can produce all that it needs in the required quantities**
- **No country has absolute advantage**

Increased Number of GPAs

- **36 Agreements with GP provisions in the past 16 years (from 1994 to date)**
- **13 Agreements include developing countries**

Why Trade in GP?

- **Large demand market worth billions of dollars annually**
- **GPA's promote overall efficiency in government spending**

National Treatment & Most-Favoured Nation Treatment

- **National Treatment (NT)**
 - Treat foreign supplier in the same manner as local supplier
- **Most-Favoured Nation Treatment (MFN)**
 - Treat foreign supplier in the same way that you treat you most-favoured supplier

Why Trade in GP cont'd?

- **To Encourage Foreign Domestic Investment (FDI)**

Enabling Instruments

- **Multilateral (little progress)**
 - WTO T-GP and GATS
- **Plurilateral (active)**
 - WTO GPA
- **Bilateral (very active)**

Commonalities & Differences

- **Commonalities**
 - Publication requirements
 - Procurement methodologies
 - Generally-recognized best practices and procedures
- **Differences**
 - Exclusions and exceptions
 - Entity Coverage
 - Thresholds

Exclusions and Exceptions

- **Considerations**
 - Market size/demand
 - Supplier capacity
 - Local products
 - Local suppliers' export interests and capacities
 - Foreign suppliers' interests
 - Sunrise / sunset industries
 - Red lines and potential trade-offs

Thresholds

- **Why are thresholds important?**
 - Preserve domestic policy space
 - Measure of control over the cost of compliance with obligations

Developing Negotiating Positions

- **Thorough understanding of your market**
 - Size, supplier capacities and export interests, sunrise/sunset industries, etc.
- **National developmental objectives**
- **Identification of synergies**
 - Among GP strategy and national development strategies (and at Regional level in the case of CARICOM)
- **Have knowledge of negotiating partners' markets and export interests.**

Thank you.

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