Government Procurement in the Context of International Trade Negotiations:

*Market Access Considerations*

Patrice F. Pratt Harrison
Office of Trade Negotiations
April 12, 2011
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
- GPAs 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 your 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.

Patrice F. Pratt Harrison
Office of Trade Negotiations
April 12, 2011