

# **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 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.***

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