

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**  
**EXECUTIVE OFFICE OF THE PRESIDENT**  
**WASHINGTON, D.C.**

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**BENEFITS FOR THE UNITED STATES**  
**FROM THE REVISED WTO GOVERNMENT PROCUREMENT AGREEMENT**

Meeting in Geneva on December 15, Ministers representing Parties to the WTO Government Procurement Agreement (GPA) reached a landmark agreement to revise the text of the GPA and expand the procurement that it covers. More than 10 years in the making, this revised agreement represents an important accomplishment for the WTO, as it demonstrates the organization's ability to fulfill negotiating mandates and emphasizes the importance of a solid foundation for rules-based government procurement trade. The conclusion of the revised GPA will provide significant benefits to U. S. suppliers of goods and services as follows:

**New Opportunities with Central Government Entities**

The revised agreement will give U.S. suppliers access to more than 150 additional central government entities in European Union Member States, including Bulgaria, Finland, France, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Slovakia, Romania, and Sweden.

U.S. suppliers will also gain access to a number of additional central government entities in other GPA Parties, including in Aruba, Hong Kong, Israel, Liechtenstein, Korea, and Switzerland. U.S. suppliers will also gain new market access through the reduction of thresholds – the monetary value below which contracts are not covered – in several Parties, including Israel, Japan and Aruba.

**New Opportunities with Sub-Central Government Entities**

GPA Parties including Japan, Korea, and Israel have added a number of sub-central entities. Canada is providing access to its provinces for the first time under the revised GPA. (The United States has been able to participate in Canadian provincial procurement since February 2010 when it signed a bilateral agreement with Canada.)

**New Opportunities with Government Enterprises**

The GPA Parties will also expand the government enterprises that they cover under the GPA. This will include new enterprises in Israel such as the Environmental Services Company and development companies, as well as new entities from Japan, Korea, Liechtenstein and Chinese Taipei.

**New Opportunities in Services Sectors**

Already-competitive U.S. services suppliers will find new opportunities with the addition of more than 50 categories of services in Aruba, Hong Kong, Israel, Japan, Korea, Singapore, and Switzerland. This includes complete coverage of the telecommunications sector in several Parties.

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**(continued)**

**Phase-out of Israel's Requirements for Domestic Content**

A major achievement of the negotiations is Israel's commitment to phase out the offsets – requirements for domestic content – that it has maintained since 1981. Over 15 years, Israel will progressively reduce its application of these offsets to zero from the current 20%, reduce the number of entities that apply offsets, and set a threshold below which offsets will not be applied.

**Support for Modern Business Practices in Government Procurement**

The modernized text updates the GPA to incorporate current procurement practices, in particular through the use of electronic procurement in GPA member countries. It significantly clarifies GPA requirements, increases transparency of procurement practices through electronic methods, provides more flexibility for procuring entities, especially when buying commercial (off-the-shelf) goods and services, and promotes the adoption of such practices in potential future member countries. The revised GPA specifies the transitional measures for developing countries, which should facilitate the accession of developing countries to the GPA.

**U.S.-EU Bilateral Procurement Forum**

In conjunction with the conclusion of the GPA revision, the United States and the European Union will establish a Bilateral Procurement Forum that will provide an opportunity to expand our procurement relationship on a bilateral basis. Under this Forum, we will take up procurement regulatory issues and international procurement issues, such as China's accession to the GPA – a key priority for both sides. In addition, the United States and the EU will explore the possible expansion of procurement commitments, primarily on a national treatment basis. The United States will only cover procurement of sub-central entities, such as states, with that entity's authorization.

**Maintaining Priorities for Small and Minority Firms**

Under the revised Government Procurement Agreement, the United States maintains all of its current exclusions and exceptions, including its exclusion of set-asides for small and minority firms.