

WTO Government Procurement Agreement: History and Future

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Abstract

Since national governments worldwide reduced the use of tariff barriers to trade as a result of international trade agreements, many governments have raised non-tariff barriers in their place. One increasingly prominent non-tariff barrier is discrimination in public procurement, especially so-called home bias. These discriminatory public procurement practices retarded the growth of world trade and its liberalization and started the discussion on international public procurement market rules in the World Trade Organization. Governmental Procurement Code has been signed in late 70ties as a result of the Tokyo Round trade negotiations, and in 1995, it became a part of the WTO system as the Government Procurement Agreement. Further negotiations of the GPA agreement followed under its built-in agenda and the revised GPA came into force in 2014. Despite 40 years of negotiations, cross-border procurement remains, according to available data, limited at the international level. The goal of this paper is to identify possible shortcomings of the Revised GPA and challenges for the future development. In our analysis, the historical background of the Government Procurement Agreement will be taken into consideration.

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