

WTO government procurement agreement is all upside for Australian businesses

‘Access to foreign markets is extremely important for businesses that provide goods and services to governments’ said Alina Bain, CEO of the Export Council of Australia (ECA).

The ECA welcomes the news that Australia has received support to join the World Trade Organisation’s Agreement on Government Procurement (GPA).

‘The GPA is all upside’ explained Ms Bain. ‘It opens up new markets to Australian businesses and has minimal—if any—impact on Australian procurement processes.’

Australian Government procurement processes are already largely consistent with the GPA, meaning the parties to that agreement already have access to Australian government procurement. The GPA also contains carve-outs for sensitive areas such as defence, security, Indigenous, SME and local government procurement.

‘Australia joining the GPA will deliver immediate benefits to Australian businesses in two ways’ said Ms Bain. ‘Firstly, it will guarantee access to GPA markets that are not currently covered by trade agreements with Australia. Most notably, this includes the EU and its member states.’

‘It also extends government procurement access to major US states not covered by AUSFTA, including Arizona, Iowa, Massachusetts and Minnesota. These states alone have a combined gross state product greater than Australia’s GDP.’

‘Secondly, and perhaps more importantly, it will allow Australian businesses to have complaints about government procurement reviewed by independent bodies. This is important, as members have told the ECA of discriminatory practices when they try to access government procurement in some GPA member markets.’

The WTO estimates the GPA provides guaranteed access to members’ government procurement of \$US 1.7 trillion p.a.

The ECA is the leading industry body focused on Australia’s international businesses, particularly SMEs.