

Chapter 9

Government Procurement in ASEAN: Issues and How to Move Forward

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CHAPTER 9

Government Procurement in ASEAN: Issues and How to Move Forward*

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1. Introduction

With the decrease in tariffs, behind-the-border measures have become increasingly important barriers to economic integration. Policies providing preferences for domestic over foreign firms in government procurement – or home-biased government procurement – are one such example. Government procurement (GP) systems are governed by detailed procedural rules and regulations. In some cases, foreign suppliers can have the impression of being entangled in restrictions, lack of transparency or complexities of procedures – perceptions that can have implications for trade and business.

Home-biased government procurement is widely believed to be a pervasive phenomenon (Brühlhart and Trionfetti, 2004; Shingal, 2015). More recently, in response to the global economic crisis, governments have increased the use of home bias in procurement policies to avoid, inter alia, leakages from their fiscal stimulus packages (OECD, 2013). The re-emergence of these policies has caught the attention of international trade policymakers and highlighted gaps in the evidence base.

There are three reasons for paying attention to this matter in Association of Southeast Asian Nations (ASEAN) countries. The first is the significant role of government procurement in Asian economies. Secondly, an efficient procurement system founded on the principles of non-discrimination and transparency can help ensure the optimal use of public funds. Thirdly, as recent Organisation for Economic Co-operation and Development (OECD) studies show, efficient government procurement open to competition can be a key factor in facilitating FDI flows, as well as in the development of production networks and innovation, which are priorities for ASEAN countries.

There is a lack of reliable information, at the global level and more particularly for ASEAN countries and regional partners, about government procurement markets and the policies that govern them. Few statistics are widely available to understand the size of procurement markets, the flows of trade in procurement, and the types of discriminatory procurement

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measures that governments choose to implement.¹ There is thus uncertainty not only about the size of procurement markets, but also the degree to which governments actually discriminate in their own markets.

This chapter seeks to fill some of these evidence gaps. Section 2 aims to collect available information, based on indirect estimation methods, to give an updated picture of the size of government procurement in ASEAN and to look at the trend since the mid-nineties. Section 3 looks at the available evidence of discrimination using output-based approaches. Section 4 uses the OECD taxonomy on government procurement measures as a tool to better understand the nature of potential barriers for foreign firms seeking to access GP markets in the region. Section 5 compares the taxonomy with international standards in GP, such as the World Trade Organization (WTO) Agreement on Government Procurement (GPA) provisions or United Nations Commission on International Trade Law (UNCITRAL) Model Law on Public Procurement (2011), highlighting examples of measures from selected ASEAN countries. Section 6 explores the coverage of government procurement in free trade agreements signed by ASEAN countries and other countries in the region.

2. What is the size of the Public Procurement market in ASEAN countries?

Countries rarely publish procurement statistics, which makes analysis reliant on estimates. The OECD (Audet, 2002) has estimated the value of government procurement in OECD countries to be roughly 9 percent of gross domestic product (GDP).² More recently, Fronk (2015) finds that the average procurement market size represented 8.7 percent of GDP across 48 countries over 1990–2010 on the basis of System of National Accounts (SNA) data.

The International Monetary Fund's Government Finance Statistics (GFS) provides a slightly larger sample than SNA data. The GFS does not include a specific measurement of procurement spending, so this value must be estimated based on other GFS series. The two most pertinent series are Intermediate Consumption (IC) and Gross Fixed Capital Formation (GFCF). IC consists of gross consumption spending on goods and services, whereas GFCF represents government expenditure on investment in new physical capital. An approximation of total procurement is the sum of IC and GFCF and this measurement is defined as 'standard GP' for the remainder of this study.

As part of its *Government at a Glance* statistics, the OECD uses OECD National Accounts Statistics and defines GP as the sum of IC, GFCF, and also social transfers in kind (ST).³

¹ The WTO Government Procurement Agreement (GPA) seeks to enhance transparency in this area.

² Audet (2002) also estimates the size of procurement markets in over 130 countries, based on 1998 data.

³ In theory social transfers could possibly be tradable (i.e. provided by a foreign supplier). But it should be noted that they do not fall under the scope of the GPA or preferential trade agreements.

This ST component contains purchases by the government of goods and services produced by market producers and supplied to households. However, as this series is usually only found in the National Accounts Statistics of OECD countries, using this definition would restrict the coverage of the analysis.

An alternative definition is given by Rickard and Kono (2010, 2014) and Fronk (2015), who use government spending on goods and services, excluding defence spending (DF) which, for national-security reasons, is generally restricted to domestic suppliers and a handful of close military allies.⁴ They define what they call ‘contestable procurement’ and consider that defence procurement lies outside the scope of non-discrimination provisions included in procurement chapter of trade agreements.⁵ The average GP size over 2006–2012 is presented in Table 9.1, using the ‘standard GP’ measurement based on IC plus GFCF since ST and DF are not available for ASEAN countries.

The average size of GP markets for ASEAN countries is roughly 5–8 percent of GDP, which is slightly below that of OECD countries, which average 9 percent. However, with a value of approximately USD 140 billion, it represents an important potential GP market, including together with the broader regional market (USD 700 billion for the region of Australia, New Zealand, Japan, and Republic of Korea).

Table 9.1: Estimates of the Size of GP Market (% of GDP): Average over 2006–2011

With GFS data		With WDI data		With OECD data	
<i>Europe and Central Asia</i>	8.4	Cambodia	5.2	Australia	12.14
<i>OECD +</i>	9.1	Lao PDR	7.9	Korea	12.31
<i>Latin America</i>	4.2	Malaysia	7.0	New Zealand	14.39
<i>Middle East and Africa</i>	6.2	Philippines	7.8	Japan	13.33
<i>Asia</i>	6.3				
Hong Kong SAR	5.6				
Indonesia	2.9				
Singapore	4.7				
Thailand	6.2				

GDP = gross domestic product; GFS = Government Finance Statistics; WDI = World Development Indicators; OECD = Organisation for Economic Co-operation and Development

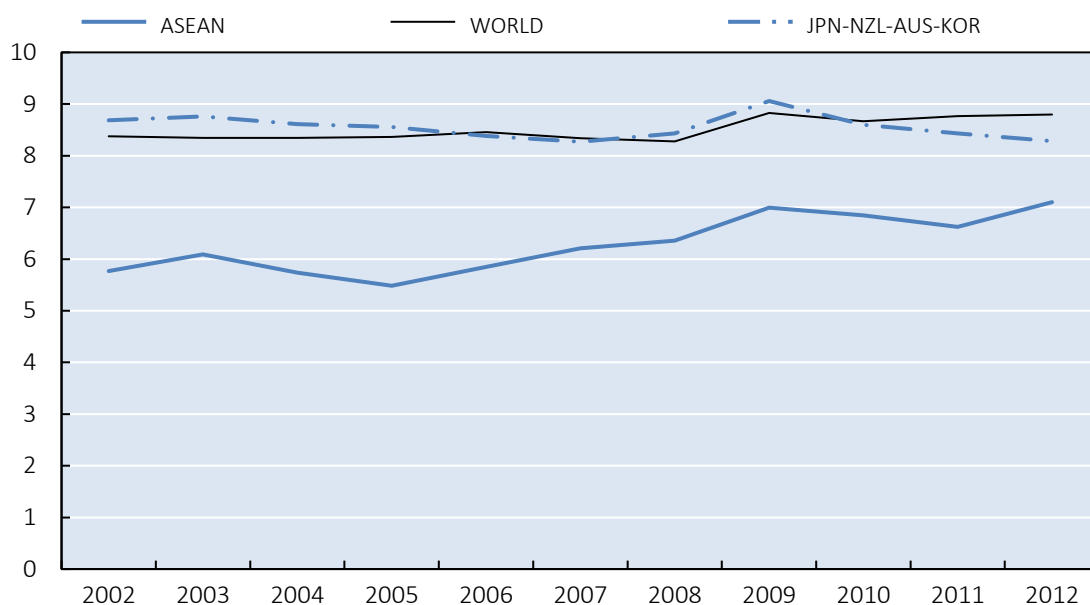
Source: Authors’ calculation, based on Government Finance Statistics (GFS), World Development Indicators (WDI), and OECD data.

⁴ While it is true that within the group of pre-qualified firms contracts are often awarded through competitive bidding the exigencies of defence considerations make non-discriminatory processes unsuitable for defence spending.

⁵ The lack of reliable procurement statistics makes it difficult to assess the level of defence procurement included under international agreements. For example, the importance of defence procurement reported by parties to the Government Procurement Agreement differs by party, ranging from less than 1 percent to more than 80 percent of above-threshold procurement. Additionally, there is a lack of clarity about whether ‘above-threshold procurement’ includes defence procurement that is discriminatory due to national security exemptions. This makes it hard to assess how much defence procurement is covered under international agreements.

The trend in GP size over 2002–2012 is presented in Figure 9.1. There have been two rises in the size of GP markets, one around 2000–2002 and a more significant increase over 2008–2010 in response to the financial crisis.⁶ While remaining below the global average, over time, the relative size of GP in ASEAN countries is moving closer to the average level of developed regional partners (which has slightly decreased over time).

Figure 9.1: Evolution in Size of GP Markets in ASEAN over 2002–2012 (% GDP)



GP = government procurement; ASEAN = Association of Southeast Asian Nations; GDP = gross domestic product; JPN = Japan; NZL = New Zealand; AUS = Australia; KOR = Republic of Korea. Source: Authors' calculation, based on Government Finance Statistics (GFS).

3. Domestic Bias in Government Procurement in ASEAN Countries

Measuring domestic bias in government procurement is difficult. Looking at the text of relevant laws provides some guidance in indicating explicit preference for domestic suppliers or restrictions on foreign suppliers, but may not reveal all domestic bias, much of which is typically not explicit. Home bias can also be the result of procurement procedures that unintentionally (or not) implicitly impede foreign firms from applying for or winning contract awards.

Moreover, while laws and regulations are useful in highlighting some types of discrimination, its impact on the procurement market cannot be determined by looking at the regulations alone. The actual economic effect of domestic bias can depend on the market structure and the size of government demand for the product in question.

⁶The share of GP in GDP could increase during a recession for three reasons: the level of GDP could fall, procurement spending could increase, or a combination of both.

A price-preference policy, while conceptually similar to an import tariff, is unlikely to show the same overall economic effects as a tariff, because the latter gives preferential treatment to the domestic producer across all purchasers. A procurement price preference, on the other hand, applies only to government purchases, which the private sector can offset with an increase in imports (Evenett and Hoekman, 2013).

Detailed information on offers submitted and on the conduct of the tendering process is also important in analysing discrimination in government procurement – governments that consistently choose higher-priced domestic bids might be guilty of discrimination. However, despite the WTO GPA's efforts to enhance the transparency of relevant data, such information is not widely available.⁷ Scholars attempting to measure discrimination across a wide range of countries have thus turned to outcome-based measures, using imports.

The approach adopted in this chapter compares the propensity to buy national between the public and the private sector. This method entails comparing the import share of governments with that of the private sector.⁸ If the import share is lower for governments, and is large and diffused across all categories of purchases, then it could suggest some type of discriminatory policy. A systematic comparison between import shares of the government and of the private economy is a promising method for investigating the presence of discriminatory behaviour but depends on the use of data on 'unbiased' imports. Trionfetti (2000) suggested the use of household or firm import shares as 'their expenditure is driven by profit and utility maximisation and, likely, is not affected by any sort of discriminatory behaviour'. Following this approach to examine several OECD countries⁹ in a single year during the eighties using Eurostat data, the author finds evidence to suggest that government purchases are home biased.

This chapter adopts Trionfetti's approach using Input–Output Tables from GTAP¹⁰ to compute those import shares for public and private sectors for 50 countries and 3 years – 2004, 2007 and 2011.¹¹ As such, these estimates do not necessarily provide evidence of intentionally discriminatory behaviour, but simply indicate a bias, unintentional or not, toward home consumption. This bias could be natural given that GP spending may be more heavily weighted towards non-tradable items than comparable private sector spending – although this approach aims to control for differences in consumption bundles between public and private sectors by excluding consumption of public administration, health and education services, which are less tradable. Hence we compare the consumption of private and public sectors solely in goods and private services. We also undertake this comparison at the broad sector

⁷ Collecting such information across a wide range of countries is beyond the scope of this paper.

⁸ Here the import share is the ratio of the value of foreign purchases to the value of total purchases.

⁹ Denmark, France, Germany, Ireland, Italy, Spain and the United Kingdom.

¹⁰ GTAP data are reconstructed data. It should be noted, therefore, that using partially 'reconstructed data' to estimate procurement discrimination may bias results. However, Fontagné et al. (2013) use the GTAP data to estimate tariff equivalent of protection in services and find plausible results. In addition, we only use data for the 50 countries considered as most reliable in their output–input matrix (mostly developed economies).

¹¹ However, given that GTAP is a harmonised data source and the different years cannot be treated as independent observations, this exercise can only give indicative results.

level (agriculture, mining, manufacturing and services) to account for differences in consumption bundles between private and public sectors.

We estimate the propensity to import of the private sector (PI_i^{priv}), and the propensity to import of the public sector (PI_i^{pub}) as the share of imports in total purchases:

$$PI_i^{priv} = \frac{Import_i^{priv}}{Purchase_i^{priv}} \text{ and } PI_i^{pub} = \frac{Import_i^{pub}}{Purchase_i^{pub}}$$

Then the ratio of those import shares is calculated as: $R_i = \frac{PI_i^{pub}}{PI_i^{priv}}$

Table 9.2 shows the average ratio of public to private import share for three groups of countries: ASEAN, regional partners, and the rest of the world, and four sectors (after excluding consumption of public services and normalising the ratio¹²). All ratios are below 1, indicating that the government's propensity to import is below that of the private sector.

Covering 59 GTAP sectors, albeit subject to some limitations, the data provide evidence that, on average, the import share of governments is systematically lower than the import share of the private economy in ASEAN and in all the other economies (Table 9.2). While it could reflect the concentration of government purchases in less tradable goods and services, or the relative competitiveness of domestic suppliers, it is also plausible that this is a reflection of the presence of some form of government bias in favour of domestically produced products. But more importantly, this potential domestic bias is much more important in ASEAN than in other economies for the manufacturing industry (ratios are 0.4 versus 0.8 and 0.7 in other groups) and much less in services (0.75 vs 0.4 and 0.65 in other groups).

Table 9.2: Average Ratio Public to Private Import Share in Different Sectors

	ASEAN		Region (CHN, KOR, JPN, NZL, AUS)		RoW	
	2004	2011	2004	2011	2004	2011
AGR	0.29	0.48	0.34	0.38	0.46	0.48
IND	0.39	0.40	0.85	0.78	0.72	0.72
MIN	0.96	0.59	0.49	0.52	0.43	0.39
SERV	0.76	0.74	0.40	0.43	0.68	0.66

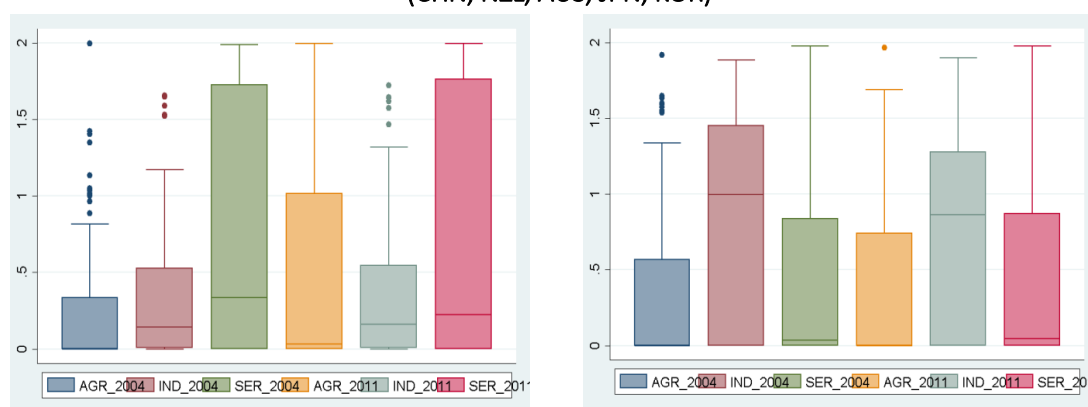
ASEAN = Association of Southeast Asian Nations, CHN = China, KOR = Republic of Korea, JPN = Japan, NZL = New Zealand, AUS = Australia, RoW = Rest of the World, AGR = Agriculture, IND = Industry, MIN = Mining, SERV = Services.

Source: Authors' calculation, based on GTAP data.

¹² In some cases the ratio could be extremely large and such large numbers exert a disproportionate influence on sector averages.

Figure 9.2 shows the distribution of the ratio of public to private import share across the 70 countries and 59 sectors in the dataset and the median of this distribution (line). There is a declining trend over the years between 2004 and 2011 elsewhere in the Region (defined here are Australia, Japan, New Zealand, China and Republic of Korea) suggesting that ‘domestic bias’ as approximated by this approach is growing in importance over this period in those economies. Conversely, ASEAN countries do not seem to experience an increase in domestic bias.

Figure 9.2: Distribution Ratio Public to Private Import Share in 2004 and 2011 In ASEAN Region (CHN, NZL, AUS, JPN, KOR)



ASEAN = Association of Southeast Asian Nations; CHN = China; KOR = Republic of Korea; JPN = Japan; NZL = New Zealand; AUS = Australia.

Note: The figure shows the distribution of the ratio of public to private imports across each country. The bottom line reflects the minimum ratio, the bottom of the box represents the first quartile (or 25th percentile), the line in the box is the median (or 50th percentile), the top of the box is the third quartile (or 75th percentile), and the top line represents the maximum ratio in each year.

Source: Authors' calculations, based on GTAP.

While there are limits to this kind of empirical analysis in capturing home bias, this same trend is seen over the entire 2000–2011 period: no increase in home bias in ASEAN countries but increases in other countries in the region seem to experience increased home bias, which may potentially hurt ASEAN exporters to those markets.

4. GP Measures Affecting Trade in ASEAN using the OECD Taxonomy

To undertake a more comprehensive, albeit not exhaustive, collection of GP measures across countries, the OECD has created a taxonomy aiming to develop a classification system of GP measures to facilitate further data collection and analysis.

4.1 The OECD Taxonomy

The OECD Taxonomy identifies different GP measures, policies, and procedures, which can impact cross-border public procurement. In setting out different categories of measures, the OECD Taxonomy has two objectives: to promote further consideration of the nature of measures, and to determine whether and how they impact foreign suppliers. The taxonomy is not designed to pass judgment on the legitimacy of the public policy objectives that measures seek to achieve. Rather, it aims to highlight the trade impact of the measures as one element for consideration in policymaking and to promote consideration of less trade restrictive measures to achieve the same policy objectives.¹³

The complete taxonomy set out in the Appendix covers explicit and implicit measures and practices that may impede trade in GP and result in loss of market opportunities for foreign suppliers. The explicit categories (M1 to M4) cover measures or practices that directly reduce or prevent foreign suppliers' access to a government procurement market. The implicit categories (M5 to M10) group measures or practices that do not expressly target foreign bidders but that may, indirectly or potentially, affect their ability to supply cross-border procurement. These measures or practices may not be restrictive de jure but in their application they may prevent access to procurement by foreign suppliers. These nine categories are described in greater detail in Gourdon et al. (2017).

Completing the taxonomy requires time and use of local legal experts able to read the laws and regulations. To populate this taxonomy for ASEAN countries and neighbouring countries in the region this chapter relies on existing databases, namely, the OECD Service Trade Restrictiveness Index (STRI), the Benchmarking Public Procurement data from the World Bank (BPP), the Global Trade Alert (GTA) and the OECD Product Market Regulation database (PMR). There is no one-to-one concordance between these sources and a number of overlaps exist. Nevertheless, together these sources provide a useful initial picture of the heterogeneity of practices across ASEAN countries and in comparison to other regional partners (namely non-ASEAN Regional Comprehensive Economic Partnership (RCEP) countries¹⁴). Those different sources do not provide the information under the same format (some are index, others scores etc., nor do they cover the same countries or match to the same measures in the OECD taxonomy and thus are analysed separately.

4.2 Insights from the taxonomy on regimes in ASEAN and its neighbours

The OECD STRI provides information on some taxonomy entries and countries listed in Table 9.3 for the services sectors. It should be noted that, to date the STRI only covers two ASEAN countries – Indonesia and Malaysia. The first entry (M11) groups measures and practices that expressly restrict access or give preference to national suppliers and measures pertaining to

¹³ It is particularly important to bear this in mind when examining, for example, the effectiveness of measures based on preferences for certain disadvantaged groups, or requirements (technical or qualification) for bidders reflecting the right to regulate services at the national level.

¹⁴ Australia, China, India, Japan, Republic of Korea and New Zealand.

thresholds (M15) that permit foreign firms to bid only for contracts above or below a given value. A third set of measures covers provisions that explicitly favour domestic firms by allocating a price or point preference to national suppliers (M21).

In the implicit measures, M5 groups measures related to the conduct of procurement, namely the ways procurement is carried out under specific conditions and rules. These can be considered restrictive when their purpose or effect limits or avoids competition in favour of domestic suppliers. Qualification criteria (M6) used to determine the eligibility of suppliers to participate in procurement can sometimes give preference to domestic suppliers with respect to the evaluation criteria (M7). Furthermore, the STRI also provides information on some technical conditions favouring domestic firms (M71).¹⁵

Finally, the STRI also provides information on the complaint and review mechanisms for GP, and in particular can help to identify if there are restrictive measures affecting the access of foreign suppliers to mechanisms to challenge a bidding process or award (M81), or measures that make it difficult or impossible for foreign firms to access the information required for any of the stages of procurement process (M9).

Table 9.3: Measures and Country Coverage with STRI Data

Table 9.3.1: OECD GP Measures covered in OECD STRI	Table 9.3.2: Countries covered in the STRI
M11: Market access restrictions to national supplier	<u>ASEAN</u>
M15: Thresholds	Indonesia
M21: Domestic price preference for national supplier	Malaysia
M5: Conduct of procurement	<u>RCEP non-ASEAN</u>
M6: Qualification criteria	Australia
M71: Technical conditions	China
M81: Challenge of bidding process or award	India
M9: Transparency	Japan
	Republic of Korea
	New Zealand

OECD = Organisation for Economic Co-operation and Development; GP = government procurement; STRI = Service Trade Restrictiveness Index; RCEP = Regional Comprehensive Economic Partnership; ASEAN = Association of Southeast Asian Nations.

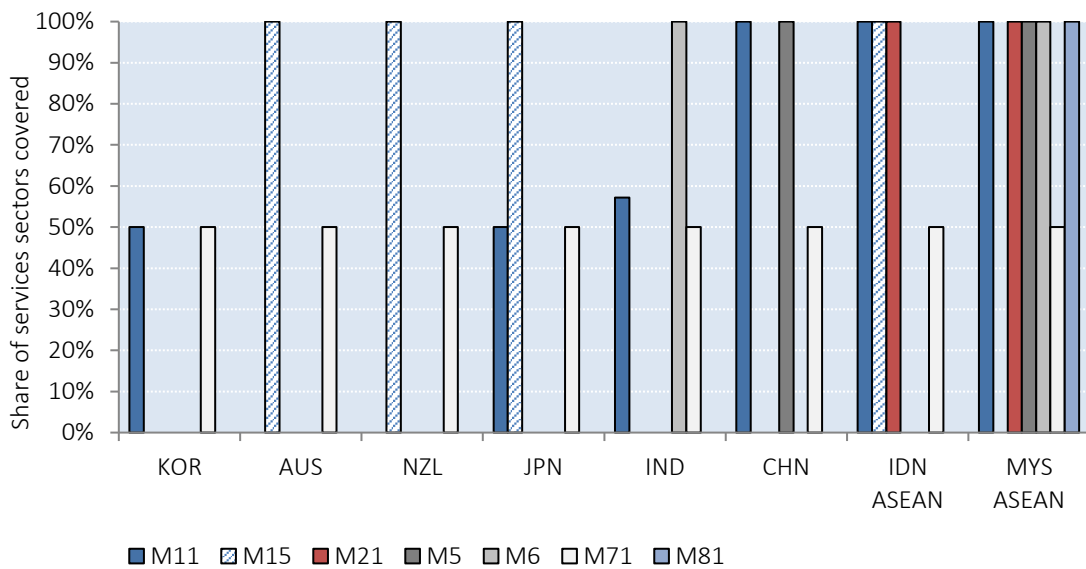
Source: Authors' compilation, based on OECD Taxonomy and OECD Service Trade Restrictiveness Index.

Figure 9.3 indicates for each country for which GP information is available in the STRI the types of GP measures which can impede trade flow and for each measure the share of services sectors which are affected by this trade restrictive measure. In the case of Republic of Korea, for example, the M11 measure applies to 50 percent of services sectors, and the same for the M71 sectors.

¹⁵ The STRI includes measures which capture if 'technical specifications affect conditions of competition in favour of local firms in public procurement', which include requirements for joint ventures or transfer of technology for foreign firms.

The STRI analysis suggests that Malaysia and Indonesia maintain more measures in relation to GP in services than other regional partners. The STRI has identified a greater number of measures affecting GP for Malaysia because of its market access restrictions (M11) (in comparison to Australia, New Zealand and Japan), domestic preference (M21) (for India and China), and also implicit measure in conduct of procurement (M5) and qualification criteria (M6). It should be noted that this indicates simply the presence of measures and not how they impact trade; for example, a thresholds measure (M15), while common, may not have a significant effect on trade depending on the level.

Figure 9.3. GP Trade Affecting Measures with STRI Source



STRI = Service Trade Restrictiveness Index.

Source: Authors' calculations, based on Service Trade Restrictiveness Index STRI-OECD.

Benchmarking Public Procurement (BPP) provides more information on the implicit measures affecting GP and covers more ASEAN economies (see Table 9.4). For the countries listed in Table 9.4.2, more detailed information was collected on measures related to registration (M52); the type of tender (M54); tender and performance securities (M561 and M562); insufficient time period for bidding processes (which have a relatively greater impact on foreign firms); or qualification criteria containing set asides for specific groups (M62). The BPP also contains useful information on measures related to review and complaint mechanisms (M8) and Transparency (M9) which, while impacting all firms, can act as a particular as disincentive for foreign firms seeking to enter the procurement market.

Table 9.4. Measures and Country Coverage with BPP Data

Table 9.4.1: OECD GP Measures covered in BPP	Table 9.4.2: Countries covered in the BPP
M21: Domestic price preference to national supplier	<u>ASEAN</u>
M5: Conduct of procurement	Cambodia
M52: Registration	Indonesia
M54: Direct/Limited tendering	Lao PDR
M561: Tender securities	Malaysia
M562: Performance securities	Myanmar
M57: Time period	Philippines
M6: Qualification criteria	Singapore
M62: Set asides for specific groups (SMEs...)	Thailand
M8: Review and complaint system	Viet Nam
M81: Challenge of bidding process or award	<u>RCEP non-ASEAN</u> Australia
M82: Choice of complaint forum	China
M83: Time period	India
M84: Cost of filling a complaint	Japan
M85: Suspension of bidding process	Republic of Korea
M9: Transparency	New Zealand
M91: Publication in accessible publication	
M92: Accessible e-procurement	
M99: Other measures	

BPP = Benchmarking Public Procurement; OECD = Organisation for Economic Co-operation and Development; GP = government procurement; SMEs = small and medium-sized enterprises; RCEP = Regional Comprehensive Economic Partnership.

Source: Authors' compilation, based on OECD Taxonomy and Benchmarking Public Procurement project.

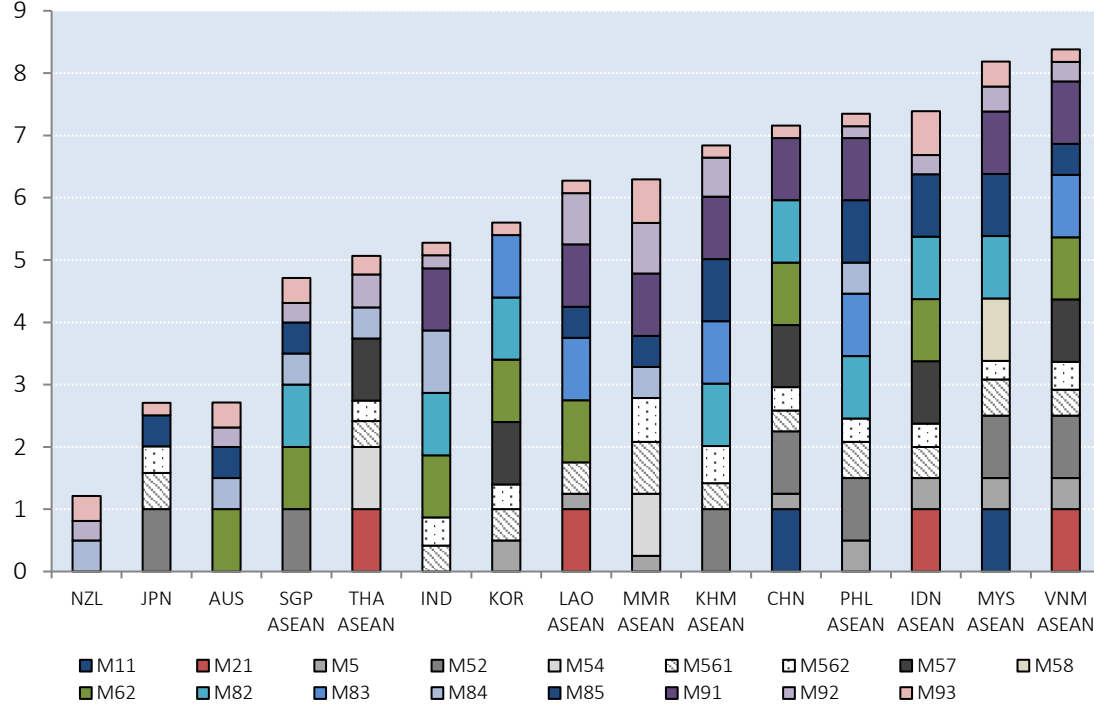
Figure 9.4 displays the presence of each type of measures collected, weighted by their degree of implementation or coverage; for some measures, a score between 0 and 1 is used, indicating that the measure is not considered to be fully restrictive.¹⁶ Here again, with the exception of Singapore and Thailand, all ASEAN countries figure on the left-hand side with Indonesia, Malaysia, the Philippines, and Viet Nam having lower index. Particular restrictive measures are found in ASEAN countries in relation to domestic preferences (M21, for Viet Nam, Indonesia, Lao PDR, and Thailand) and the registration process (M52, for Cambodia, the Philippines, Malaysia, and Viet Nam). For example, in Viet Nam bidders using 25 percent (or more) of domestic production are granted preferential treatment.

Additionally, measures related to complaint and review mechanisms (M8) are also more restrictive in ASEAN countries than in regional partners, in particular in relation to the non-suspension of the bidding process during investigation following complaints (M85). For instance, Viet Nam, Myanmar and Lao PDR, do not allow for the suspension of the procurement process during a review or challenge, while the other ASEAN countries will only grant it if it is required by the complaint. The other main area where ASEAN countries appear to maintain more restrictive measures than others relates to transparency and information (M9), and especially accessible publication of relevant information (M91).

¹⁶ For instance, in relation to accessible eProcurement, if some part of the procedure are accessible online the score will be between 0 and 1.

Figure 9.4: GP Trade Affecting Measures with BPP Source

Index counting the number of measures weighted by their fullfulness



BPP = Benchmarking Public Procurement.

Source: Authors' calculations, based on Benchmarking Public Procurement data World Bank.

The *Global Trade Alert* database (GTA) provides information largely on explicit measures, and in particular local content requirements (M3) (see Table 9.5). However, as the GTA reports only measures that can be collected online, it is not a comprehensive data collection exercise for ASEAN countries and can also be subject to a transparency bias (the countries which are more transparent and where more information is available are those which appear to be more restrictive). Hence, the additional entries presented here are measures that require bidders to purchase domestically manufactured goods or domestically supplied services, such as a requirement that a certain percentage of value added or intermediate inputs be purchased locally. Measures falling within this category include requirements to use inputs or to store data locally (M31), or hire staff from the country (M33). Additionally, offsets requirements (M35) require or encourage suppliers to provide additional economic benefits to the local economy, such as transfers of technology.

Table 9.5: Measures and Countries Coverage with GTA Data

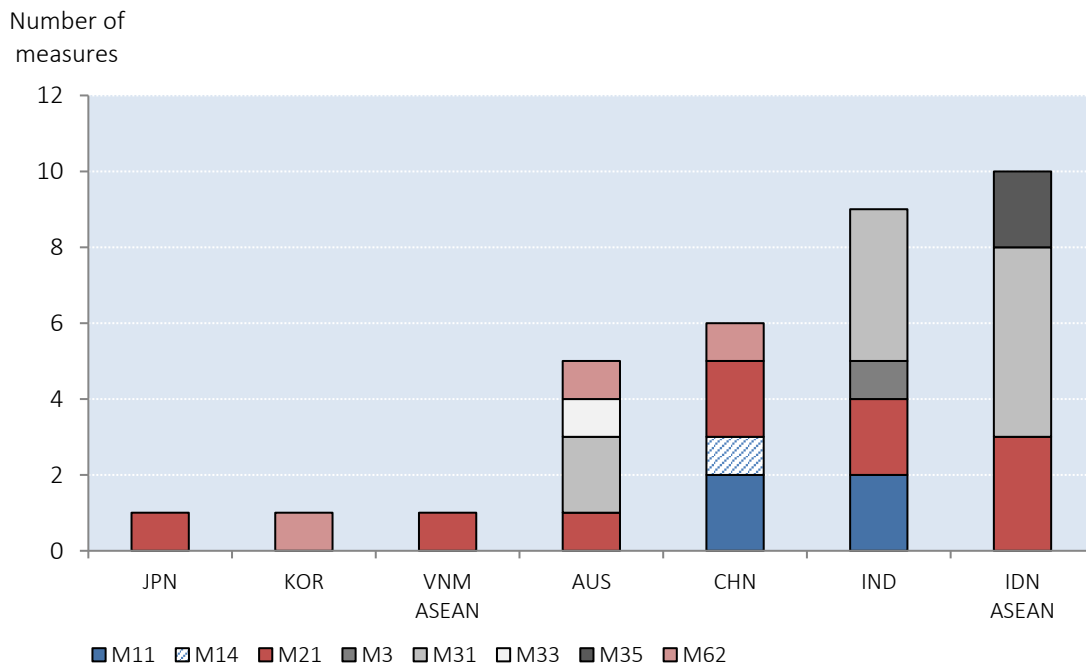
Table 9.5.1: OECD GP Measures covered in GTA	Table 9.5.2: Countries covered in the GTA
M11: Market access restrictions to national supplier	<u>ASEAN</u>
M14: Exception for non-economic rational	Indonesia
M21: Domestic price preference to national supplier	Viet Nam
M3: Offset	<u>RCEP non-ASEAN</u> Australia
M31: Local content requirement on inputs and data storage	China
M33: Staff requirement	India
M39: Other Offsets (transfer of technology...)	Japan
M62: Set asides for specific groups (SMEs...)	Republic of Korea

GTA = Global Trade Alert; OECD = Organisation for Economic Co-operation and Development; GP = government procurement; ASEAN = Association of Southeast Asian Nations; RCEP = Regional Comprehensive Economic Partnership; SMEs = small and medium-sized enterprises.

Source: Authors' compilation, based on OECD Taxonomy and Global Trade Alert.

Figure 9.5 displays the number of measures in each category for selected countries. Indonesia again appears to maintain the most restrictions because of some domestic preference policies (M21) and several local content requirements in inputs (M31) and offsets (M35).

Figure 9.5: GP Trade Affecting Measures with GTA Source



GP = government procurement; GTA = Global Trade Alert.

Source: Authors' calculations, based on Benchmarking Public Procurement data World Bank.

The *Product Market Regulation* index (PMR) mostly covers collateral measures (M4) that are relevant because of their potentially restrictive effect although they are less centered on GP access per se (see Table 9.6). They include, for example, measures that act as barriers to foreign direct investment (FDI) in the country where the procurement takes place which effectively can prevent access to procurement in sectors where local presence or joint ventures are required (M42); and measures that restrict the eligibility of foreign bidders to subsidies and tax preferences (M43). The PMR also contains information related to implicit measures (M6, M7, M8 and M9), although the countries of interest in this paper are only partially covered by the PMR.

Table 9.6: Measures and Countries Coverage with PMR Data

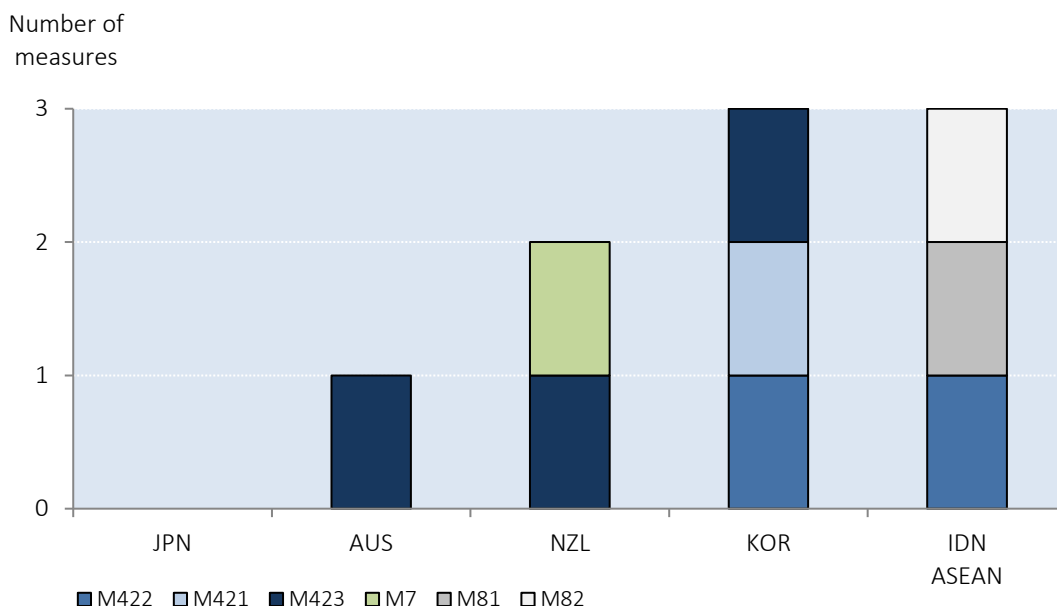
Table 9.6.1: OECD GP Measures covered in PMR	Table 9.6.2: Countries covered by the PMR
M11: Market access restrictions to national supplier	<u>ASEAN</u>
M3 Offset	Indonesia
M4: Collateral measures (often FDI related)	<u>RCEP non-ASEAN</u>
M422 Constraints on mergers	Australia
M421: Constraints on forming joint venture	Japan
M423: Absence of national treatment	Republic of Korea
M43 Restricted eligibility to subsidies and tax preferences	New Zealand
M6 Qualification criteria	
M7 Evaluation criteria	
M71 Technical conditions	
M8 Review / Complaint Mechanisms	
M81 Challenge of bidding process or award	
M82 Choice of complaint forum	
M9 Transparency and Information	

PMR = Product Market Regulation; OECD = Organisation for Economic Co-operation and Development; GP = government procurement; FDI = foreign direct investment; ASEAN = Association of Southeast Asian Nations; RCEP = Regional Comprehensive Economic Partnership.

Source: Authors' compilation, based on OECD Taxonomy and OECD Product Market Regulation index.

Figure 9.6 displays the number of measures seen in selected countries for each entry. Most of the measures present in the taxonomy do not appear in the PMR; the only ASEAN country in the PMR maintains a number of restrictions, although the country with the most collateral style restrictions (M4) in the PMR is the Republic of Korea.

Figure 9.6: GP Trade Affecting Measures with PMR Source



GP = government procurement; PMR = Product Market Regulation.
 Source: Authors' calculations, based on Product Market Regulation PMR–OECD.

Overall, this exercise suggests that ASEAN countries maintain a number of GP measures which can potentially affect cross border procurement and trade flows. This is true not only for explicit measures that directly and intentionally reduce or prevent foreign suppliers’ access to a GP market, but also for implicit measures or practices that do not expressly target foreign suppliers but that may, indirectly or potentially, affect cross-border procurement opportunities.

5. Insights from the Taxonomy, the GPA and the UNCITRAL Model Law

The OECD Taxonomy can be usefully referenced to the two pillar international texts on government procurement, namely the WTO GPA and the UNCITRAL 2011 Model Law on Public Procurement (Model Law). These texts are closely connected and are generally consistent with one another (Yukins, 2015). Both set out international rules to foster cross-border procurement and non-discrimination. They also aim to promote and ensure core principles for GP such as transparency, value for money, fit for purpose and competition. By using the OECD taxonomy, countries can better assess the status of their current procurement system and determine how close they are to Model Law and the WTO GPA.

The WTO GPA has evolved since it first entered into force in 1996, particularly through regular expansions in national commitments. Initially, only a limited number of countries were signatories to the GPA, but subsequently more countries have either joined or expressed their

intention to join. The GPA is a plurilateral agreement, with voluntary membership. Approximately three-quarters of the WTO members are not part of the GPA and members are largely comprised of OECD countries; in total, 31 OECD members are parties to the GPA.¹⁷ Currently there are 19 parties to the agreement, representing 47 WTO Members. The European Union and its 28 member states represent 29 of the current members and the integration of the European Economic Community into the European Union has contributed significantly to the growth in GPA membership since 1996 (Hoekman, 2015). That said, there are currently 30 observers to the GPA, 10 of which are in the process of accession.¹⁸ At the time of writing, four countries in the region are GPA Parties (Japan, Republic of Korea, New Zealand, and Singapore), two are GPA acceding countries (Australia and China), and five are observers (India, Indonesia, Malaysia, Thailand and Viet Nam).

Based on the principle of non-discrimination, the WTO GPA seeks to enshrine the right of foreign suppliers to participate in procurement markets. It also promotes further competition by encouraging greater liberalisation of procurement markets. The agreement sets out minimum international benchmarks. The GPA is a significant and influential tool for promoting international trade in GP, both by guiding domestic policy reforms and serving as a model for procurement chapters in bilateral/regional trade agreements, including in Asia.

While the WTO GPA relates to a country's national procurement legislative system, the 2011 UNCITRAL Model Law governs procurement rules related to private suppliers. The Model Law offers countries a baseline for a public procurement legal framework. It is not meant to provide a full and complete list of measures for adoption in national procurement law; additional laws and regulations are needed to complete the public procurement legal framework, and local specificities may also need to be reflected in national enactments of the Model Law.

Although not a legally binding instrument, the UNCITRAL Model Law also addresses some issues related to trade-restrictiveness. The Model Law can help countries to reform their procurement systems by increasing the performance of their procurement market, and implementing further transparency and integrity rules to address corruption. Countries implementing the Model Law also are likely to bring their regimes closer to the standards in the WTO GPA.

¹⁷ Australia, Chile and Turkey are observers to the agreement. Mexico is the only OECD member that is neither a party nor an observer to the agreement.

¹⁸ These are: Albania, Australia, China, Georgia, Jordan, Kyrgyz Republic, Oman, Tajikistan and the Russian Federation. Six other members have undertaken commitments in their WTO accession protocols to initiate accession to the GPA: Afghanistan, Kazakhstan, Mongolia, Saudi Arabia, Seychelles and the Former Yugoslav Republic of Macedonia.

Given that the Model Law is not binding and there is no obligation on States to notify when it is implemented, it is difficult to determine how many or which countries have used it. Official numbers recorded by UNCITRAL indicate that 30 countries enacted the 1994 Model Law and 24 the 2011 Model Law.¹⁹ However, these numbers likely do not reflect the use of the text which serves as an important template for reforming or establishing rules on procurement.

Indeed, the aim of the Model Law initially was to respond to a significant fragmentation in national rules and legislation on GP as well as to some degree of ineffective legislation (Nicolas and Muller, 2017). By fostering coherence of GP systems amongst countries the Model Law can contribute to enhanced GP market access. This is in keeping with one of the overarching goals of UNCITRAL, which is to 'further the progressive harmonisation and unification of the law of international trade'.²⁰

5.1 Insights from the taxonomy and GPA provisions

Examining the WTO GPA in light of the entries of the taxonomy can help countries to establish a correspondence between the key international obligations under the GPA and the domestic procurement legal framework. Table 9.7 shows a general, initial mapping of articles in the GPA with the main entries of the taxonomy. Using the taxonomy to map relevant measures in the region and cross-reference them to the GPA can produce some useful observations. This section focuses on measures identified for four ASEAN countries (the Philippines, Viet Nam, Indonesia and Malaysia).²¹

Many of the explicit measures of the taxonomy correspond to the general principles of non-discrimination and transparency found in the GPA (Article IV), as well as to the scope and coverage articles of the Agreement (Article II). For example, for M1 (Market access restrictions) most of the relevant information is found in Articles II and IV Sections 1 and 2, with the exceptions of M14 (Reciprocity) and M16 (Exclusion for safety reasons).

These ASEAN countries have numerous GP texts, which can lead to a lack of transparency and be discouraging for foreign firms. For instance, the GP system in Malaysia is governed by various fragmented instruments, which also leads to inconsistency (Xavier and Xavier, 2016).

All four countries also maintain restrictions on market access to their GP market in favour of domestic suppliers. For instance, Viet Nam grants awards to domestic firms when two firms have submitted equally competitive offers and one is domestic. Both the Philippines and Malaysia maintain a specific threshold above which foreign firms can participate in bidding processes. Local content requirements and preferential treatment can also be found. For example, in Indonesia, companies must give preference to qualified Indonesian personnel and train such personnel for staff positions including in administration and executive management.

¹⁹ The 2011 Model Law is the revision of the 1994 Model Law.

²⁰ Mandate, and Composition of UNCITRAL, http://www.uncitral.org/uncitral/en/about_us.html

²¹ For the purpose of this exercise, the authors were constrained by language barriers: the review of the measures is thus based on legislative text available in English.

Under the implicit measures, there is more direct correspondence between the Taxonomy entries and the GPA provisions that pertain to the qualification and evaluation criteria or the conduct of procurement, although this may be spread across several Articles of the GPA. For example, for M5 on conduct of procurement, the equivalent in the GPA may be found in Article II (Scope and Coverage), in Article IV (General Principles), in particular Article IV:4 (on conduct of procurement), and in Article VII (for time period of notices M57), Article IX (shortlist of bidders M53, registration M52 and selective tendering M55), Article XI (for time period M57), Article XIII (for limited tendering for M54) and Article XV (for the design of procurement method M51). By contrast, for the review and complaint system (M8) all entries correspond to sections of Article 18 (domestic review procedures). Transparency and information (M9) may be more challenging, as these issues arise across many areas of the GPA.

Table 9.7: Mapping with GPA Provisions

	Sub-Chapter	
	Explicit Measures	WTO GPA
M1	Market access restrictions	Articles II (Scope and Coverage); III (Security and General Exceptions); IV (General Principles)
M2	Domestic price/point preference	Article II (Scope and Coverage)
M3	Offsets	Articles II (Scope and Coverage); III (Security and General Exceptions); IV (General Principles); Article V (Developing
M4	Collateral restriction/restrictive effects	Article II (Scope and Coverage)
M5	Conduct of procurement	Articles II (Scope and Coverage); IV (General Principles); VII (Notices); VIII (Conditions for participation); IX (Qualification of suppliers); X (Technical specification and Tender Documents); XI (Time-periods); XII (Negotiation); XIII (Limited tendering); XIV (Electronic Auctions); XV (Treatment of Tenders and Awarding of
M6	Qualification criteria	Articles IV; VIII-IX
M7	Evaluation criteria	Article IV (Scope and Coverage); VIII (Condition for Participation); X (Technical specification and Tender Documents); XV (Treatment of Tenders and Awarding of Contracts)
M8	Review / Complaint Mechanisms	Article XVIII (Domestic Review)
M9	Transparency and Information	Articles XVI-XVII; XIX
M10	Effectiveness of ethics and anti-corruption system	Article IV: 4 (General principles: Conduct of Procurement)

GPA = Agreement on Government Procurement; WTO = World Trade Organization.

Source: Authors' compilation, based on OECD Taxonomy and WTO GPA.

With regards to implicit measures, the review indicates a tendency for these ASEAN countries to use securities requirements, be it bid securities or performance securities, to impose additional requirements on foreign firms. For example, in Malaysia, local suppliers and contractors registered with the government are exempted from tender deposits. On the other hand, international bidders are required to deposit a bid security which varies in value depending on the value of the bid.

Many ASEAN countries are putting, or have recently put, in place an electronic procurement system. However, in practice, the system can be limited due to lack of information infrastructure or the geographical situations of some of the countries. For instance, in Indonesia, each region has authority to conduct its own procurement, and there is no enforcement of e-procurement (Nurmandi and Kim, 2015). On the other hand, in Malaysia, the Treasury Instruction Letter on 28 June 2013 stipulates that Cost Responsibility Centres of government agencies are required to ensure that at least 75 percent of their annual allocation of procurement must be made electronically (Xavier and Xavier, 2016). In Indonesia, e-procurement has cut down on the budget of the ministry of Finance – there was a 18.4 percent budget saving in 2009 – and has significantly contributed to increasing transparency (Trimurni et al., 2015).

5.2 Insights from the taxonomy and UNCITRAL Model Law

Similarly, examining the Model Law with the Taxonomy will help countries that are undergoing a legislative reform to assess how their legal system compares to the international benchmark. It will also help countries seeking to accede to the GPA since provisions of the Model Law are designed to foster and encourage participation in procurement proceedings by suppliers regardless of nationality. Adding this mapping exercise to the WTO GPA ensures a more complete evaluation of a country's GP system both with respect to procurement covered by GPA and procurement outside the scope of coverage by GPA that nevertheless may be of interest to cross-border suppliers.

Table 9.8 shows a mapping with the Taxonomy. As can be seen, the UNCITRAL Model Law places considerable emphasis on integrity and transparency. Transparency articles correspond to the Taxonomy (M9), including, for example, publication of GP rules, publication of calls for tender, and transparency of conduct of procurement according to set rules and procedures. As for the GPA, relevant provisions on transparency are spread across the entire Model Law, making mapping more challenging.

For entries in M1 (market access restrictions), the correspondence lays essentially in Articles 8 to 10 of the Model Law. The default position under the Model Law is to provide for full, unrestricted and international participation in public procurement. In particular Articles 8:1 and 8:2 provide for participation in the procurement process regardless of nationality. However, it adds an exception where a limitation on participation is grounded in law and regulation. For example, Articles 3 and 8 allow for procurement where only domestic suppliers or contractors may participate in the procurement proceedings (Article 8 of the Model Law). This was included to permit the use of single-source procurement to implement socio-

economic policies. Preferences for domestic tenderers need to comply with conditions set out in the Model Law, designed to avoid discretionary or arbitrary decisions to limit foreign participation. Furthermore, any countries enacting such limitations must also consider their international obligations and the risks of curbing competition (Enactment Guide). For instance, the fact that Philippine 2016 Revised Implementing Rules and Regulations includes an explicit clause restricting bidding to Filipino citizens would be in conformity with the Model Law because the procurement regulations is the source of the procuring entity's authority to resort to domestic procurement.

Taxonomy entries M2 (domestic preferences) and M3 (offsets) also cover in general Articles 8 to 11 of the Model Law; set asides are specifically covered under M62 of the Taxonomy. Article 11:3(b) of the Model Law provides that evaluation criteria can include margin of preference for the benefit of domestic suppliers or contractors or for domestic goods or any other preference. This seems to run counter to the non-discrimination principle of international trade and the WTO GPA. The GPA stipulates that countries should not treat suppliers from another country less favourably than national suppliers. However, the UNCITRAL Guide to Enactment clearly states that this should not occur to isolate domestic market from competition. Akin to Article 5 of the GPA, which permits offsets for developing countries, the Model considers such preferential measures as a transitional measure to offer easier market access to emergent suppliers or contractors, to facilitate opening the national economy, such as through capacity building, and should not be used as a form of protectionism. While preferential prices or other preferential programs in favour of small and medium-sized enterprises (SMEs) or other groups can help industrial policy objectives, and effectively increase SME participation in the GP market, they can also dampen competition, and increase the cost of public contracts (Arrowsmith and Anderson, 2011).

The Enactment Guide strongly recommends that regulations pertaining to margin of preference should provide a clear calculation method. Trade agreements can also allow for price preferences as a transitional measure. While offsets are prohibited in the Trans-Pacific Partnership (TPP), they can be used as transitional measures for developing countries (this echoes Article V of the GPA). For example, Viet Nam set an offset at 40 percent of the annual value of total covered procurement for the first 10 years, which will be reduced to 30 percent for the next 15 years.

Under Article 11 (3), the Model Law allows domestic preferences which ensure that countries balance the objectives of international participation in procurement proceedings and fostering local capacities, without resorting to purely domestic procurement. Here again, the Model Law sets forth conditions, which are the same as those in GPA Article 8. In the oil and gas sector, for instance, Indonesia has adopted measures to favour local goods, services, and technology, as well as Indonesian design and engineering capabilities so long as they are of comparable quality, price, and availability (CCSI, 2015). Local goods must be given preference if their prices are within 15 percent of the lowest tender within 7.5 percent for local services.

Table 9.8: Mapping with UNCITRAL

OECD Taxonomy		UNCITRAL Model Law
M1	Market access restrictions	Articles 8-10
M2	Domestic price/point preferences	Articles 8-11 Article 9:4;6 (Qualifications of suppliers and contractors) Article 11:3(b) (Rules concerning evaluation criteria and procedures)
M3	Offsets	Articles 8-11 and 30.5.e
M4	Collateral restriction/restrictive effects	Articles 8-9, 20
M5	Conduct of procurement	Article 7—63
M6	Qualification criteria	Article 9 (Qualifications of suppliers and contractors)
M7	Evaluation criteria	Article 11 (Evaluation criteria)
M8	Review / Complaint Mechanisms	Articles 22, sections 2 to 4, 25 and 64-69 (chapter VIII. Challenge proceedings)
M9	Transparency and Information	See e.g., articles 5-7, 18.2, 19.2, 23-26, 31, 33, 34.5, 35.1, 35.4, 36, 40, 53-57, 59.3, 60-61, 66.3, 67.5, 69
M10	Effectiveness of ethics and anti-corruption system	Article 21 (Exclusion of a supplier/contractor from the procurement on the grounds of inducements, or conflicts of interest); Article 26 (Code of Conduct) [other provisions throughout the Model Law are also relevant, e.g., articles 16, 19, 22.6.b, 24, 25, 28, 44, 56, 63, as well as all transparency, information and review/complaint provisions listed above]

UNCITRAL = United Nations Commission on International Trade Law.

Source: Authors' compilation, based on OECD Taxonomy and UNCITRAL Model Law.

While neither the GPA nor the Model Law addresses explicitly the issue of foreign investment, many ASEAN countries have measures that restrict foreign investment, which may also adversely impact cross-border procurement. For example, all countries studied (the Philippines, Viet Nam, Malaysia, and Indonesia) impose a cap on foreign ownership in the telecommunications sector. Indonesia provides an exemption for a maximum of 70 percent of ASEAN foreign investors. Malaysia in 2009 removed its general foreign equity ceiling of 70 percent; nevertheless, foreign equity restrictions remain in certain sectors. In addition, Malaysia favours investments that involve ethnic Malays; other areas that are subject to such *Bumiputera* reservations include banking and finance, water, *batik* production, agriculture, defense, energy, and telecommunications.

The implicit categories of the Taxonomy, namely M5 to M7, cover in general terms the different cycles of procurement from the conduct of procurement (M5), the qualification criteria for suppliers (M6), and the evaluation criteria to be complied with by the procuring entity (M7). These Taxonomy entries also correspond to many of the Articles in the Model Law.

The Model Law also provides for a template text for challenge proceedings (Articles 64 to 69), which is reflected in M8 of the Taxonomy. The Model Law allows for review or appeals of decisions made in challenge proceedings (Articles 66–67) through the courts. None of the countries studied provides for suspension of the tendering process in case of a challenge. While Article 65 of the Model Law prohibits the entry into force of the procurement contract during the proceedings, the Enactment Guide indicates that States may also want to consider suspending the contract.

Transparency is a key element in both the GPA and the Model Law. The Model Law includes transparency as one of its objectives and includes prompt and public availability of procurement documents, publication of contract awards, and specification of qualification requirements to ensure a more non-discriminatory procurement system and compliance with rules. E-procurement is also an important feature of these texts (and of the Taxonomy, [M92]), which can increase value for money by facilitating and centralising the processes and reducing corruption.

In setting out rules for transparency and ensuring fair and equitable treatment, anti-corruption can almost be considered an underpinning of the Model Law²² (and the GPA). Many related articles of the Model Law correspond to the Taxonomy (M10), which also includes any measures that address corruption, conflict of interests, or any ethical matters.

6. Procurement Discipline in Trade Agreements of ASEAN and EAP

There are several benefits to including GP in trade agreements. First, it has domestic benefits since it can improve the efficiency of the procurement system by fostering the principles of non-discrimination and transparency, and hence promoting more optimal use of public funds. Second, a procurement system that complies with international procurement rules sends a positive signal that the country is open to international business and investment and this could attract foreign investment more broadly. Third, when trade agreements cover GP, the parties to the agreement are opening their procurement to one another under an umbrella of common principles and this fosters deeper economic integration amongst the parties to the agreement.

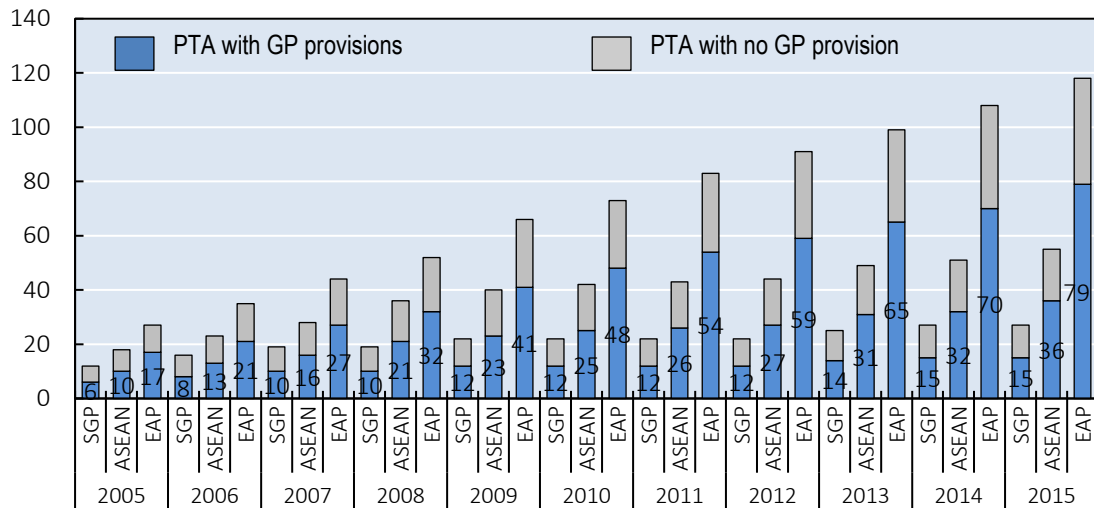
²² These principles are also enshrined more broadly in the United Nations Convention against Corruption (2003), which also includes provisions on procurement.

6.1 Number of trade agreements

Market access is one of the main rationales for negotiating disciplines on GP in international trade agreements (Hoekman, 2015). Other rationales include preventing discriminatory procurement practices and agreeing transparent procurement rules amongst parties. These agreements are designed to guarantee foreign firms the right to tender for procurement contracts, and to level the playing field for domestic and foreign firms in those processes.

Preferential trade agreements (PTAs) are increasingly including provisions on procurement and have become the preferred path to extend procurement rules to non-GPA members (Hoekman, 2015). As Figure 9.7 displays, in 2005, there were seventeen international agreements covering GP in East Asia and Pacific (EAP), of which 10 included at least one ASEAN country (in six of those 10 agreements, the country was Singapore). By 2015, this had risen to 79 agreements in EAP, of which 36 included at least one ASEAN country as new agreements formed and existing agreements added members.

Figure 9.7: Share of GP Provision in Trade Agreements

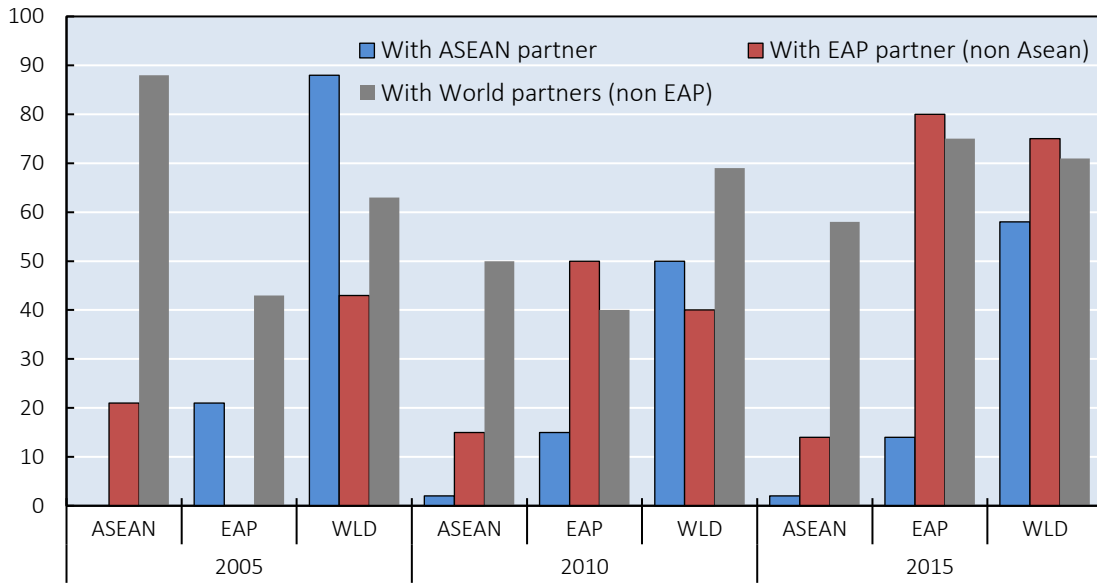


GP = government procurement; PTA = Preferential trade agreements; SGP = Singapore; ASEAN = Association of Southeast Asian Nations; EAP = East Asia and Pacific.

Source: Authors' calculations, based on Design of Trade Agreement Database (DESTA).

However, most of the PTAs with GP disciplines signed by ASEAN countries are not with other ASEAN countries and very few are with neighbouring countries in the region. As shown in Figure 9.8, the share of bilateral trade agreements between ASEAN countries with a GP chapter was 2 percent in 2015, compared to 15 percent for ASEAN agreements with other partners in the region (East Asia and Pacific, EAP). Indeed, the growing presence of GP chapters in trade agreements observed for ASEAN countries in Figure 9.7 also includes agreements with extra regional partners.

Figure 9.8: Partners in GP Provisions



Source: Authors' calculations, based on World Trade Organization (WTO) PTA database.

In addition, a number of countries whether or not party to the GPA, have been exposed to GPA-style disciplines and market opening through participation in PTAs. Some of the most recent PTAs signed by countries in the region contain detailed chapters on GP. This trend may facilitate future GPA accessions as, in general, the procedures and disciplines on GP in these regional trade agreements (RTAs) are akin to those in the GPA. A few examples include the PTAs signed by Australia with the United States, Chile, and Singapore, and the RTA recently signed (but not yet in force) between the European Union and Viet Nam.

6.2 Depth of disciplines on GP in PTAs

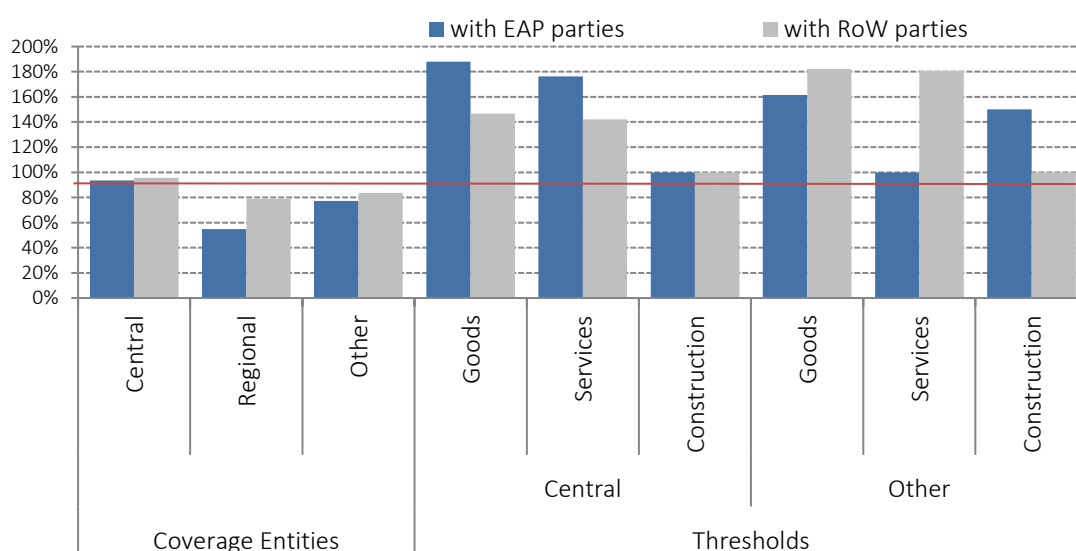
A closer look at the GP chapters in the free trade agreements signed by ASEAN countries reveals a somewhat limited scope without any substantive commitments in providing market access for trading partners' suppliers. Agreements in general feature best-endeavour commitments and encourage parties to collaborate, to establish working groups, or to exchange information on procurement processes. They also refer to the importance of applying transparent procedures. Appendix 3 provides further details on the depth of GP coverage in agreements where there are substantive commitments (i.e. beyond mere exchange of information, cooperation, etc.).

In the EAP region, the countries that have made significant commitments on public procurement are Australia, Taiwan, Hong Kong, Japan, the Republic of Korea, New Zealand and Singapore. Figure 9.9 provides an overview of the coverage those countries offered on average to other EAP partners versus the rest of the world relative to the best offer they have made on GP in any of their PTAs. All parties covered at least some central government and other entities.²³ However, the lack of statistics on procurement makes it impossible to assess the share of procurement markets covered by these commitments. Moreover, a weakness of most of those agreements is the low level of commitments for sub-central government entities. This gap in commitments significantly reduces the level of GP covered by the agreement; the OECD estimates that approximately 60 percent of procurement in a country is at the sub-central government level.

In terms of covered entities, on average commitments with other EAP parties were lower than the EAP countries mentioned above offered to the rest of the world (90 percent of the best offer in terms of entities covered for EAP parties versus 95 percent for rest of the world parties), with key differences in sub-national level commitments. The same is true for thresholds, where on average extra-regional partners seem to benefit more from better access than other EAP countries.

Overall GP provisions in trade agreements with extra-regional partners (United States, European Union, European Free Trade Association, Switzerland, Chile, Mexico and Peru) are deeper than those with regional partners, and that commitments by ASEAN countries, with the exception of Singapore, on GP in free trade agreements remain relatively modest. There is thus scope for further opening by both ASEAN countries and their regional partners on GP within the region.

Figure 9.9: Depth of GP provisions in PTAs of Selected Countries



GP = government procurement; PTA = preferential trade agreement.

Source: Authors' calculations, based on World Trade Organization (WTO) PTA database.

²³ Other entities refers to parastatal and similar entities.

6.3. Insight from Trans-Pacific Partnership (TPP) negotiations and Regional Comprehensive Economic Partnership (RCEP)

The 11 remaining countries of the TPP announced in November 2017 their commitment to conclude a Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). The GP chapter of the CPTPP is the same as the original TPP and contains extensive similarities with the provisions of the GPA (see Anderson and Pelletier, 2016), which may facilitate eventual GPA accessions.

The GP chapter of the CPTPP provides useful insight into the extent of commitments by ASEAN countries. For instance, the TPP discussions indicate the flexibility ASEAN countries (Brunei Darussalam, Malaysia, and Viet Nam) negotiated: implementation delays were permitted through transitional measures, and were only available to those developing parties. Brunei Darussalam, Malaysia, and Viet Nam all commit to phase-downs of thresholds on central and other entities over a maximum of 25 years, and transitional measures allow delays in implementing provisions related information on intended procurement; information to be included post-award; domestic review; qualification of suppliers; time periods; dispute resolution; general principles related to off-sets; and whether a fee can be charged for tender information. These delays are mainly 3–5 years, although Malaysia can delay the general principles related to offsets for up to 12 years, and Viet Nam may charge for information until they have set up an electronic procurement portal.

By contrast, the RCEP free trade agreement between the 10 ASEAN Members and the ‘plus six’ group (Australia, China, India, Japan, Republic of Korea and New Zealand) does not include GP. However, of the 16 countries engaged in the RCEP six have undertaken procurement obligations in other non-Asian agreements, three are engaged in negotiations that will include coverage of procurement and China is in negotiations to join the GPA (as per its commitments when it joined the WTO).

7. Conclusion

This text has provided a first overview of ASEAN GP systems, drawing on the OECD Taxonomy to help gain a picture of countries' systems and to provide some initial insights into how this compares with international best practice, based on mapping of the OECD Taxonomy with the WTO GPA and the UNCITRAL Model Law.

The average size of the government procurement market for ASEAN countries is about 5 percent to 8 percent of GDP, which is below the OECD average (9 percent) or that of other regional partners. At approximately USD 140 billion it nonetheless represents an immense potential GP market. The GP market increased significantly over 2008–2010 in response to the financial crisis and the relative size of GP in ASEAN countries is becoming closer to the average in developed regional partners.

While subject to important limitations, existing output based methodologies to capture empirically potential home bias in government procurement suggest that, over 2000–2011, there was no increase in home bias in ASEAN countries, in contrast to other countries in the region. Home bias also appears to be particularly strong in manufacturing. The exercise undertaken in this paper indicates that some ASEAN countries have scope to enhance their GP regimes and bring them closer to international good practice as embodied in the UNCITRAL Model Law and the GPA in terms of promoting greater transparency and openness in their procurement markets.

As ASEAN countries formed new trade agreements with GP provisions and their existing agreements added members, the number of trading relationships of ASEAN countries governed by agreements with GP disciplines has significantly increased. However most of these GP chapters are in agreements with countries beyond the region, and GP disciplines in ASEAN trade agreements tend to be very modest. There is scope to enhance GP disciplines with regional partners and amongst ASEAN countries.

The RCEP initiative could be an opportunity to advance on this issue. For its less developed members, the RCEP could provide transitional measures to facilitate the opening of their procurement markets, drawing upon the transitional measures in the revised GPA or the approach providing additional time to undertake procurement obligations, used in the P4 Agreement for Brunei Darussalam and envisaged for Malaysia and Viet Nam in a CPTPP.

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Appendix 1. OECD Taxonomy

Sub-Chapter	Group	Sub-Chapter	Group
Explicit measures		Implicit measures	
M1	Market access restrictions	M5	Conduct of procurement
M11	To National supplier	M51	Design of procurement methods
M12	To Sub national supplier	M52	Registration
M13	Conditional access	M53	Shortlist / preselected list of bidders
M131	To Joint ventures with national supplier	M54	Direct/Limited tendering
M132	Commercial presence required	M55	Selective tendering
M133	Access based on reciprocity	M56	Securities
M14	Exclusion for national security or safety reasons		M561: tender securities
M15	Thresholds		M562: performance securities
M19	Other	M57	Time period
M2	Domestic price preferences	M59	Other
M21	For National supplier		
M22	For Sub national supplier	M6	Qualification criteria
M23	Conditional access	M61	Certification or license criteria
M29	Other	M62	Set asides for specific groups (SMEs, minorities)
M3	Offsets	M63	Past performance requirements
M31	Local content requirement for Inputs and data storage	M64	Prior experience requirements
M32	Local content requirement for Services	M69	Other criteria
M33	Local content requirement for Staff requirement		
M34	Subcontract requirements		

		M7	Evaluation criteria
M39	Offsets (transfer of technology...)		M71 Technical contractual conditions
			M72 Financial requirements
M4	Collateral restriction/restrictive effects		M73 Offer-backs for specific groups (SMEs, minorities)
M41	Tax on procurement from foreign entity		M79 Other restrictive criteria
M42	Barriers to FDI	M8	Review / complaint mechanisms
	M421: constraint on forming joint venture,		M81 Challenge of bidding process or award
	M422 constraint to merger		M82 Choice of complaint forum
	M423: absence of national treatment		M83 Time period
	M424 Closed sectors to FDI		M84 Fees
M43	Restricted eligibility to subsidies and tax preferences		M85 Suspension of bidding process
M44	Time period		M86 Sanction and remedies
M49	Other		M89 Other
		M9	Transparency and information
M10	Effectiveness of ethics and anti-corruption system		M91 Publication in official gazette or accessible publication
			M92 Accessible e-procurement
			M921 online publication of tender
			M922 online tender process
			M923 online award process
			M924 e-communication
			M925 e-signature
			M926 Other online requirements
			M93 Notification
			M99 Other

OECD = Organisation for Economic Co-operation and Development; FDI = foreign direct investment; SMEs = small and medium-sized enterprises.
Source: Gourdon, Bastien, and Folliot-Lalliot (2017).

Appendix 2. Concordance of OECD taxonomy with secondary sources

Table A2.1. Concordance between BPP measures and GP Taxonomy

BPP Group	BPP Question	OECD TAX Code	OECD TAX Group
Pre-award Complaints before the First-tier Review Body	Cost of filing a complaint in US\$	M84	Cost to fill a complaint
	Does the complaining party have a choice regarding the authority before which to file its complaint (e.g., the procuring entity itself, an independent administrative review body or a judicial court)?	M82	Choice of complaint forum
	Time to file a complaint (days)	M83	Time period to file a complaint
	During the pre-award stage, who has standing to file a complaint? (Actual and potential bidders; trade organisations; civil society organisations; others)	M81	Challenge of bidding process or award
	Does the filing of a complaint lead to the suspension of the procurement process?	M85	Suspension of bidding process
Pre-award Complaints before the Second-tier Review Body	Cost of filing a complaint in US\$	M84	Cost to fill a complaint
	Is the procurement process suspended during the appeal proceedings (i.e. while the second-tier review body is reviewing the complaint and until it issues a decision)?	M85	Suspension of bidding process
Needs Assessment, Call for Tender, and Bid Preparation	Is open tendering the default method of procurement?	M54	Direct/Limited tendering
	Is there one or several procurement portal(s) (i.e. an official website(s) specifically and exclusively dedicated to public procurement)?	M92	Accessible e-procurement
	What materials are publicly accessible online? (procurement plans, laws and regulations, notices of calls for tender, tender documents, and award notices)	M92	Accessible e-procurement
	Elements included in the tender notice and/or tender documents: Technical and financial qualifications that bidders must meet, Grounds for exclusion of bidders, Amount of bid security, Form(s) of bid security, Criteria against which bids will be evaluated, Method used to assess bids, Main terms and conditions of the contract, Payment	M93	Notification complete
	Are tender documents accessible for free?	M91	Publication in official gazette or accessible publication
	Do bidders have the opportunity to ask a question for clarification to the procuring entity (either through regular channels of communication or during a clarification meeting with bidders organised by the procuring entity)?	M58	Other in conduct of procurement
	Are bidders required to register on a government registry of suppliers?	M52	Registration
Bid Submission	Are foreign firms eligible to submit bids in response to calls for tender?	M11	Market access restriction to national supplier
	With the exception of few sectors such as defense	M14	Exclusion for non-economic rational reason
	Only for procurements above a certain threshold	M15	Thresholds
	Only for certain contracts. partnerships, or mergers	M132	Commercial presence required
	Is there a minimum period of time (calendar days) that the procuring entity must grant bidders for them to submit their bids?*	M57	Time period
	How can bidders submit bids? (In person, Via regular mail, Via an electronic procurement platform)	M92	Accessible e-procurement
	Are bids guaranteed?	M561	Tender securities

	If bidders are required to post bid security, how is the amount determined? (Minimum required, Maximum percentage, At discretion of procuring entity)	M561	Tender securities
	What forms of bid security can the procuring entity request of bidders? (Cash deposit, Bank guarantee, Insurance guarantee)	M561	Tender securities
	Do suppliers have the choice regarding the form of bid security?	M561	Tender securities
	If bidders are required to post a bid security instrument, is there a timeframe (calendar days) for the procuring entity to return said instrument?	M561	Tender securities
	Is there a separate entity to oversee the procuring entity's decision to cash/collect the bid security instrument?	M561	Tender securities
Bid Opening, Evaluation, and Award	Are bids opened electronically?	M92	Accessible e-procurement
	If bids are never opened electronically, who is allowed to attend the bid opening session? (Bidders, Bid opening session is public)	M91	Publication in official gazette or accessible publication
	If bids are always or sometimes opened electronically, the minutes of the opening session are: (Published online, sent electronically to all bidders)	M92	Accessible e-procurement
	At the stage of bid evaluation, does the legal framework include any preferential treatment system for domestic firms?	M21	Local content requirement for For national supplier
Content and Management of the Procurement Contract	Can the supplier (i.e. the winning bidder) sign the procurement contract through an online platform?	M92	Accessible e-procurement
Performance Guarantee	In the case of procurement of works, is the supplier required to provide performance guarantee that will ensure a source of compensation in case of failure to perform its contract obligations?	M562	Performance securities
	Does the legal framework provides the method to determine the amount of performance guarantee that can be requested from the supplier?	M562	Performance securities
	If yes, is the amount of the performance guarantee fixed or is it a percentage of the contract value?	M562	Performance securities
	Does the supplier have the choice regarding the form of the performance guarantee?	M562	Performance securities
	What forms of performance guarantee can the purchasing entity request from bidders? (Certified check, Performance bond, Insurance guarantee, Letter of credit, Cash, bank guarantee)	M562	Performance securities
	Is there a timeframe (calendar days) for the purchasing entity to return the performance guarantee?	M562	Performance securities
	Are there circumstances related to the contract performance under which the purchasing entity can cash/collect the performance guarantee?	M562	Performance securities
	Is there a separate entity to oversee the purchasing entity's decision to withhold the performance guarantee?	M562	Performance securities
Payment of Suppliers	Does the supplier have the possibility, through an online platform (an e-procurement platform or an online payment system), to request a payment online?	M92	Accessible e-procurement
Incentives for Particular Groups	Are there any incentives to increase participation of small and medium-sized enterprises' (SMEs) or minority-owned businesses in public procurement?	M62	Set asides for specific groups (SMEs, minorities)

BPP = Benchmarking Public Procurement; GP = government procurement; OECD = Organisation for Economic Co-operation and Development; SMEs = small and medium-sized enterprises.

Source: Authors.

Table A2.2. Concordance between STRI measures and GP Taxonomy

STRI code	STRI measure	OECD TAX Code	OECD TAX Group
3_2_1	Explicit preferences for local suppliers	M21	Local content requirement for Domestic price/point preference for national supplier
3_2_2	Procurement regulation explicitly prohibits discrimination of foreign suppliers	M11	Market access restriction to national supplier
3_2_25	Thresholds above which international tender is mandated	M15	Thresholds
3_2_3	The procurement process affects the conditions of competition in favour of local firms	M5	Conduct of procurement
3_2_33	Technical specifications affect the conditions of competition in favour of local providers	M71	Technical contractual conditions
3_2_4	Discriminatory qualification processes and procedures	M6	Qualification criteria
3_2_5	Contract award on the basis of non-objective/discriminatory criteria	M7	Evaluation criteria
3_2_6	Procurement laws, regulations and procedures are transparent	M9	Transparency and information
3_2_7	Foreign suppliers are provided the opportunity to challenge the consistency of the conduct of procurement with the laws and regulations.	M81	Challenge of bidding process or award

GTA = Global Trade Alert.

Source: Authors.

Table A2.3. Concordance between GTA measures and GP Taxonomy

GTA categories	Label of Measures in GTA	OECD TAX Code	OECD TAX Group
Public procurement access	Buy Local policy	M11	National companies
	Buy National policy	M11	National companies
	Exclusive preference to local firms in public procurement	M11	National companies
	Restricted public procurement	M11	National companies
	Restrictions on market access for foreign producers	M11	National companies
	Exclusion of foreign made and joint-venture made products from Government procurement list	M131	Joint ventures with national company
Public procurement localisation	Buy National requirements	M31/32/33	Local content requirement for Input/service/staff
	Buy Local requirements	M31/32/33	Local content requirement for Input/service/staff
	Introduced ban on certain types of foreign goods from participation in public procurement	M31	Local content requirement for National inputs and data storage
Public procurement preference margin	Preference margins in the public procurement for local business	M21	National companies
	Local price preference in government procurement	M21	National companies
Public procurement, nes	Compensation for product purchase from National company	M43	Restricted eligibility to subsidy and tax preferences
	Subsidies to buy local	M43	Restricted eligibility to subsidy and tax preferences
	Imposition of a tax on foreign procurement of goods and services	M41	Tax on procurement from foreign entity
	Accreditation of suppliers of certain products.	M61	Certification or license criteria
	More restrictive public procurement rules for tenders	M5	Tendering process

Source: Authors.

Table A2.4. Concordance between PMR measures and GP Taxonomy

PMR-level indicator	Question text PMR	OECD TAX Code	OECD TAX Group
Barriers to FDI	Is foreign ownership constrained by allowing only joint ventures in at least one sector?	M421	M421: constraint on forming joint venture
	Is foreign ownership constrained by restricting mergers and acquisitions in at least one sector?	M422	M422: constraint to merger
	Are foreign suppliers subject to regulations that do not recognise national treatment principles?	M423	M423: absence of national treatment
Barriers to trade facilitation	Are regulations systematically published or otherwise communicated to the public in a manner accessible (e.g. in a foreign language) at the international level?	M49	Other Transparency measures in investment and Trade
	If yes, are there inquiry points for information on the operation and enforcement of regulations?	M49	Other Transparency measures in investment and Trade
	Are there any specific provisions which require or encourage regulators to use internationally harmonised standards and certification procedures?	M6	Qualification criteria
Differential treatment of foreign suppliers	Is the number of foreign professionals permitted to practice restricted by economic needs tests?	M11	To national supplier
	Are there restrictions on government offshoring of computer services?	M11	To national supplier
	Are foreign suppliers treated less favourably regarding taxes and eligibility to subsidies?	M43	Restricted eligibility to subsidies and tax preferences
	When appeal procedures are available in domestic regulatory systems, are they open to affected or interested foreign parties as well?	M81	Challenge of bidding process or award
	When business practices are perceived to restrict competition in a given market, can foreign firms have redress through the following channels: Competition agencies, Trade policy bodies, The regulatory authorities involved or Private rights of action ?	M82	Choice of complaint forum

PMR = Product Market Regulation; GP = government procurement.

Source: Authors.

Appendix 3. Coverage of Entities for GP chapter in RTAs

Agreements	Party	Year	Central Government Entities	Sub-central government entities		Other Entities
				Regional	Local	
Australia - Chile	Australia	2009	75 entities in 18 portfolios	6 states+ 2 territories (= all regions)	not covered	30 entities
Chile - Japan	Japan	2007	GPA94= (by reference)	GPA94= (by reference)	GPA94= (by reference)	GPA 94 (by reference) - entities which have been privatised (railway, tobacco, telecommunication companies etc.) or have been dissolved or transferred
Costa Rica - Singapore	Singapore	2013	23 entities	Singapore does not have any sub-central government	Singapore does not have any sub-central government	21 entities (transport, enterprises, port, media, tourism, etc.)
EU - Rep. of Korea	Rep. of Korea	2011	GPA94= (by reference)	GPA94= (by reference)	GPA94= (by reference)	GPA94= (by reference) Entities having activities in the fields of airports and urban transport are not covered
EFTA - Rep. of Korea	Rep. of Korea	2006	GPA94= (by reference)	GPA94= (by reference)	GPA94= (by reference)	GPA94= (by reference) Korea Rail Network Authority and Korea Railroad Corporation are not covered vis-à-vis Norway and Switzerland
EFTA - Singapore	Singapore	2003	GPA94= (by reference)	GPA94= (by reference)	GPA94= (by reference)	GPA94= (by reference)
Hong Kong - New Zealand	Hong Kong	2011	59 entities (=GPA2012 - 4 entities (Chief Executive Office etc.))	n.a.	n.a.	not covered
Hong Kong - New Zealand	New Zealand	2011	30 entities	not covered	not covered	not covered
Japan - Mexico	Japan	2005	GPA 94=	not covered	not covered	
Japan - Peru	Japan	2012	GPA 94 = (as of 2010)	GPA 94 = (as of 2010)	GPA 94 = (as of 2010)	GPA2012 - entities which have been privatised (railway, tobacco, telecommunication companies etc.) or have been dissolved or transferred = Japan-Chile and Japan-Mexico EPAs
Japan - Singapore	Japan	2002	GPA 94=	n.a.	n.a.	GPA94 - entities which have been privatised
Japan - Singapore	Singapore	2002	GPA 94=	n.a.	n.a.	GPA94 - entities which have been privatised
Japan - Switzerland	Japan	2009	GPA2012= (by reference)	GPA2012= (by reference)	GPA2012= (by reference)	GPA2012= (by reference)
Rep. of Korea - Australia	Rep. of Korea	2014	45 entities	16 entities	not covered	17 entities
Rep. of Korea - Australia	Australia	2014	70 entities	6 states+ 2 territories	not covered	18 entities
Rep. of Korea - Chile	Rep. of Korea	2014	43 entities (considered as GPA 2012=)	GPA 94=	GPA 94=	18 entities + all other entities having activities in airport maritime and inland port (= GPA 94 - Korea Railroad Cooperation + Kookmin Bank + airports/ports)
Rep. of Korea - New Zealand	Rep. of Korea	2015	45 entities	not covered	not covered	not covered

Rep. of Korea - New Zealand	New Zealand	2015	31 entities	not covered	not covered	not covered
Rep. of Korea - Singapore	Rep. of Korea	2006	43 entities with subordinate entities (considered as GPA 2012 =)	GPA 94=	GPA 94=	19 entities (= GPA 94 + Korea General Chemical Corporation - Korea Railroad cooperation)
Rep. of Korea - Singapore	Singapore	2006	23 entities (GPA=)	n.a.	n.a.	GPA=
Rep. of Korea - US	Rep. of Korea	2012	51 entities (=GPA94 + 9 entities (according to USTR website))	n.a.	n.a.	n.a.
New Zealand - Singapore	New Zealand	2001	"government bodies"	on the best endeavors basis	on the best endeavors basis	on the best endeavors basis
New Zealand - Singapore	Singapore	2001	"government bodies"	on the best endeavors basis	on the best endeavors basis	on the best endeavors basis
New Zealand - Taiwan	New Zealand	2013	24 entities	not covered	not covered	not covered
New Zealand - Taiwan	Taiwan	2013	32 entities	Taiwan Provincial Government (3 entities)	Taipei City government (39 entities), Kaohsiung City Government (68 entities)	62 entities (University, Hospital, transportation, etc)
Panama - Singapore	Singapore	2006	23 entities	Singapore does not have any sub-central government	Singapore does not have any sub-central government	24 entities (University, Hospital, transportation, etc)
Peru - Rep. of Korea	Rep. of Korea	2011	41 entities (=GPA2012 - National Human Right Commission of Korea)	GPA94=	GPA94=	GPA94=
Peru - Singapore	Singapore	2009	23 entities	Non applicable (Singapore does not have any sub-central government)	Non applicable (Singapore does not have any sub-central government)	22 entities (Research institute, transport, port, media etc)
Singapore - Australia	Australia	2003	78 entities (21 departments + 57 agencies covered by the Financial Management and Accountability Act)	not covered	not covered	not covered
Singapore - Australia	Singapore	2003	23 entities (GPA=)	n.a.	n.a.	24 entities (statutory boards) (GPA=)
Singapore - Taiwan	Singapore	2014	23 entities	Non applicable (Singapore does not have any sub-central government)	Non applicable (Singapore does not have any sub-central government)	24 entities (Research institution, transport, national university, etc)
Singapore - Taiwan	Taiwan	2014	32 entities	Taiwan Provincial Government (3 entities)	4 city government (New Taipei city government, Taichung city government, Tainan city government, Taoyuan county government)	62 entities (National University, Hospital, transportation etc)
TPSEP	New Zealand	2006	37 entities	not covered	not covered	not covered

TPSEP	Singapore	2006	23 entities (GPA=)	n.a.	n.a.	not covered
US - Australia	Australia	2005	77 entities (all federal departments and all other agencies covered by the Financial Management and Accountability Act 1997. (according to the Australian government website.))	6 states+ 2 territories (=all regions)	not covered	32 enterprises (=Australia-Chile RTA + 2 entities (Australian Safety and Compensation Council, the National Institute of Clinical Studies Ltd.))
US - Singapore	United States	2004	GPA 94= (by reference)	GPA 94= (by reference)	GPA 94= (by reference)	GPA 94= (by reference)
US - Singapore	Singapore	2004	GPA 94= (by reference)	n.a.	n.a.	GPA 94= (by reference)

GP = government procurement; RTAs = regional trade agreements; EU = European Union; TPSEP = Trans-Pacific Economic Partnership.

Source: Gourdon and Messent (2017).

Appendix 4. Thresholds for GP chapter in RTAs

Agreements	Party	Year	Central Government			Sub-central Government			Other Entities		
			Goods	Services	Construction	Goods	Services	Construction	Goods	Services	Construction
Australia - Chile	Australia	2009	45000	45000	5000000	355000	355000	5000000	224000	224000	5000000
Chile - Japan	Japan	2007	100000	100000	45000	200000	200000	1500000	100000	100000	45000
Costa Rica - Singapore	Singapore	2013	130000	130000	5000000	n.a.	n.a.	n.a.	4000000	4000000	5000000
EFTA - Rep. of Korea	Rep. of Korea	2006	130000	130000	5000000	B: 400000	B: 400000	1500000	400000	400000	15000000
EFTA - Singapore	Singapore	2003	130000	130000	5000000	n.a.	n.a.	n.a.	400000	400000	5000000
EU - Rep. of Korea	Rep. of Korea	2011	130000	130000	5000000	200000	200000	1500000	450000	n.a.	15000000
Hong Kong - New Zealand	Hong Kong	2011	130000	130000	5000000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Hong Kong - New Zealand	New Zealand	2011	130000	130000	5000000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Japan - Mexico	Japan	2005	130000	130000	45000	n.a.	n.a.	n.a.	130000	130000	450000
Japan - Peru	Japan	2012	130000	130000	45000	200000	200000	1500000	130000	130000	450000
Japan - Singapore	Japan	2002	100000	100000	n.a.*	n.a.*	n.a.*	n.a.*	100000	100000	n.a.*
Japan - Singapore	Singapore	2002	100000	100000	n.a.*	n.a.	n.a.	n.a.	100000	100000	n.a.*
Japan - Switzerland	Japan	2009	100000	100000	45000	200000	200000	1500000	130000	130000	450000
Rep. of Korea - Chile	Rep. of Korea	2004	50000	50000	50000	200000	200000	15000000	450000	n.a.	15000000
Rep. of Korea - Singapore	Rep. of Korea	2006	100000	100000	5000000	200000	200000	15000000	400000	n.a.	15000000
Rep. of Korea - Singapore	Singapore	2006	100000	100000	5000000	n.a.	n.a.	n.a.	400000	400000	5000000
New Zealand - Singapore	New Zealand	2001	50000	50000	50000	50000	50000	50000	50000	50000	50000
New Zealand - Singapore	Singapore	2001	50000	50000	50000	50000	50000	50000	50000	50000	50000
New Zealand - Taiwan	New Zealand	2013	130000	130000	5000000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
New Zealand - Taiwan	Taiwan	2013	130000	130000	5000000	200000	200000	5000000	4000000	4000000	5000000
Panama - Singapore	Singapore	2006	130000	130000	5000000	n.a.	n.a.	n.a.	400000	400000	5000000
Peru - Rep. of Korea	Rep. of Korea	2011	95000	95000	5000000	200000	200000	5000000	400000	400000	15000000
Peru - Singapore	Singapore	2009	130000	130000	5000000	n.a.	n.a.	n.a.	400000	400000	5000000
Singapore - Australia	Australia	2003	0	0	0	n.a.	n.a.	n.a.	0	0	0
Singapore - Australia	Singapore	2003	0	0	0	n.a.	n.a.	n.a.	0	0	0
Singapore - Taiwan	Singapore	2014	100000	100000	5000000	n.a.	n.a.	n.a.	400000	100000	5000000
Singapore - Taiwan	Taiwan	2014	100000	100000	5000000	200000	200000	5000000	400000	400000	5000000
Rep. of Korea - US	Rep. of Korea	2012	68000	68000	5000000	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*
TPSEP	New Zealand	2006	50000	50000	5000000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TPSEP	Singapore	2006	50000	50000	5000000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
US - Australia	Australia	2005	45000	45000	5000000	355000	355000	5000000	A: 224000	A: 224000	5000000
US - Singapore	Singapore	2004	45000	45000	5000000	n.a.	n.a.	n.a.	400000	400000	5000000

GP = government procurement; RTAs = regional trade agreements; EFTA = European Free Trade Association; TPSEP = Trans-Pacific Economic Partnership; US = United States.

Source: Gourdon and Messent (2017).