



The Government Procurement Chapter of the EU-Singapore FTA

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Unhealthy practises...



Introduction

Government procurement:
how public authorities and agencies
can provide the best value for money
for the public when buying products,
works or services



I. EUSFTA and Government Procurement (GP)

Significant part of national economies (10-15% of GDP)

EU procurement market:

- 250 000 public authorities
- Total: 14% of GDP= **around 2 trillion EUR**
- **Above thresholds : EUR billion 512 (2016)**
- **Above thresholds GPA covered: EUR 402 billion (2016)**

Singapore procurement market:

- **Above thresholds GPA covered: EUR 17 bn**

I. The EUSFTA and GP

- The EU-Singapore free trade agreement: signed on 19 October 2018
- Consent of the European Parliament: 13 February 2019
- Green light of EU Member States: 8 November 2019
- **Entry into force: 21 November 2019**

Third EU FTA agreement with GPA partner

I. GP chapter of EUSFTA

- Both Parties to the **WTO GPA**
- **GP chapter: rules and market access**

EU and Singapore:

- To apply procurement requirements beyond GPA
- To provide legal guarantees for each other's firms access to **additional entities/coverage**
- to lower the value threshold of contracts subject to open tendering

=> **additional opportunities to bid for contracts**

II: The rules

II. Main principles

- **Non-discrimination**
- **Transparency**
- **Ensuring a fair, competitive and innovative procurement process**

II. Non discrimination

Contracting authorities shall accord:

(i) to the goods and services and supplier of the other Party

treatment **no less favourable** than the treatment the Party, including its procuring entities, accords to:

- (a) domestic goods, services and suppliers; and
 - (b) goods, services and suppliers of any other Party
- **for covered procurement**

II. Transparency

Based on GPA

- **Minimum standards for the publication of procurement contracts**
 - **covered under the agreement and**
 - **above the thresholds**

II. Transparency: “GPA+” elements

Single point of access--electronic procurement

- **Mandatory** electronic publication of notices through a single website for publication at all levels of government
 - **EU: TED**
 - **Singapore: Government Electronic Business portal (GeBIZ)**
- **Reduction of time limit for procurement by electronic means**

II. Fair and competitive process

- **GPA standards of fairness, competition and sound process (tecs specs, selection criteria)**
- **GPA “Plus” elements:**
 - **Conditions for participation: experience**

Contracting authorities shall not impose that the supplier has previously been awarded one or more contracts by a procuring entity of a Party or that the supplier has prior experience in the territory of that Party

II. Fair, competitive and innovative process

- **High environmental standards**



Authorities can request that the works, goods, or services fulfil the requirements of:

- **an EU eco-label and**
- **green labels in Singapore**

=> provided that those ecolabels/green labels relate to what is bought and respect certain requirements

III. Market access commitments

Relevant Annexes:

- central government entities
- sub-central government entities
- other entities (SOEs, other entities)
- goods
- services
- works
- PPPs and works concessions

III. Market access commitments

Expansion of GPA coverage in four areas:

- **central government coverage**
- **utilities and other entities**
- **public-private partnerships**
- **and services**

III. Central government entities

- **The EU:** access to substantial number of central government entities of EU Member States (not offered in GPA)
- **Singapore:** reduction of threshold for the procurement of goods and services by its central government entities:
 - => from 130,000 Special Drawing Rights (SDRs) to 50,000 SDRs

III. Utilities and other entities

Singapore:

- Listing of 57 entities (GPA coverage: 23 entities)
For ex.: Energy Market Authority.

EU:

- Procurement by procuring entities operating in the railways sector
 - **now offered to Singapore**

III. Public private partnerships (PPPs) and works concessions

Coverage of public-private partnerships (PPPs)

- **PPPs** (various contractual arrangements such as build-operate-transfer contracts)=> subject to GP chapter.
- **Singapore** took commitments relating to PPPs
- **EU** opened its works concessions to Singapore

III. Additional Services

Singapore: expressly added to GPA list including:

- computer services and a number of telecommunications services
- **Reciprocal offering of a number of additional services including:**
 - financial services,
 - computer related services,
 - telecommunication services,
 - landscape architectural services and related scientific and technical consulting services.

IV. Beyond legal commitments..

GP Chapter: to foster de facto opportunities for access to each others' markets

Success stories

Land Transport Authority of Singapore

- a EUR 70 million contract for the electrification of the MRT (Mass Rapid Transit) (2019)
=>awarded to EU company (Siemens)

IV. Beyond legal commitments

- **Implementation: focus on benefits from GP chapter**
- **Exchanges of information on successful cases**

Further Info:

- **DG TRADE: EU/SINGAPORE FTA**

<https://ec.europa.eu/trade/policy/in-focus/eu-singapore-agreement/>

- **DG GROW:**

https://ec.europa.eu/growth/single-market/public-procurement_en

- **TED website:**

<https://ted.europa.eu>