



Trade MEPs back tool to open up non-EU public procurement markets to EU firms

Committees Committee on International Trade [28-11-2013 - 13:41]

A draft law that could bar non-EU firms from bidding for public procurement contracts in the EU unless their home countries allow EU firms reciprocal access to their public procurement markets was endorsed by the International Trade Committee on Thursday. The proposed “international public procurement instrument” should strengthen the EU’s hand in trade talks and help EU firms wishing to bid for third country contracts.

"The new rules address a crucial imbalance in global trade whereby large multinationals from newly-industrialised nations profit from open access to EU markets, but are protected from global competition at home", said European Parliament rapporteur and International Trade Committee coordinator Daniel Caspary (EPP, DE). "The new rule is simple: 'same rights for both sides'. We are creating a level playing field", he added.

The international public procurement instrument, approved by 19 votes to 10 with 1 abstention, should help to open up access to third countries' public procurement markets in exchange for access to EU ones. EU Commission data suggest that 85% of EU public procurement markets are already open to international tenders, but some EU trade partners are reluctant to open up these markets to EU firms. For example, EU firms are permitted to bid for only 32% of the public tenders in the USA and 28% in Japan.

The proposed instrument would apply to big public tenders (worth €5 million or more excluding VAT) and to tenders in which goods or services originating outside the EU exceed 50% of the total value of the goods or services involved.

Prevent fragmentation of the EU single market

MEPs amended the proposed rules to prevent fragmentation of the single public procurement market, by clarifying that Member States or their contracting authorities can restrict the access of third country goods and services only by measures provided for in this Regulation or by relevant European Union law and only after a European Commission investigation has found a "lack of substantial reciprocity" by the third country concerned.

Avoid harming developing countries

To reduce the risk that developing countries could become unintended victims of the new instrument, the committee backed the proposed exclusion of Least-Developed Countries from scope of legislation and also proposed excluding those developing countries which are "considered to be vulnerable due to lack of diversification and insufficient integration within the international trading system". Their bids for public contracts in the EU public tenders must be treated as intra-EU ones, said MEPs.

Breaching labour standards constitutes “lack of reciprocity”

MEPs amended the draft to ensure that “lack of substantial reciprocity” restrictions could also be imposed where international labour standards, as defined by the recently-approved EU Public Procurement Directive, are breached in a third country.

Next steps

The committee vote needs to be confirmed by the full House in a plenary vote (January tbc)

In the chair: Vital Moreira (S&D, PT)

Press release

Contact

Agnese KRIVADE

BXL: (+32) 2 28 43562

STR: (+33) 3 881 74794

PORT: (+32) 498 98 39 83

EMAIL: inta-press@europarl.europa.eu

TWITTER: EP_Trade