

Prepared by the Ministry of Business, Innovation and Employment and the Ministry of Foreign Affairs and Trade.

Summary

- This article informs you of the upcoming removal by the US of some medicines, medical devices and critical inputs from its commitments under the World Trade Organization Agreement on Government Procurement (GPA). It invites you to engage with New Zealand government officials if you think this change may impact your business.

Report

New Zealand belongs to the GPA which gives New Zealand exporters rights to bid for specified government contracts in member countries, including the US federal government, on an open, non-discriminatory and transparent basis.

2 On 27 November 2020, the US formally notified the WTO that it would remove [certain medicines, medical devices and critical inputs](#) from its schedule of commitments in the GPA. The stated goal of the change was, amongst other things, to "... ensure the American public is protected against outbreaks of emerging infectious diseases, such as COVID-19" by reducing reliance on imported medicines, medical devices and critical inputs, and safeguarding domestic production. The changes will come into effect on 26 April 2021.

3 The changes mean that New Zealand exporters (and exporters from other GPA countries) could be excluded from the US federal government procurement market for those products.

4 This action by the US may also impact on supply and value chains. For example, New Zealand exporters that sell to intermediaries (such as pharmaceutical manufacturers) who then sell directly to the US government may be affected.

5 New Zealand will be entering into discussions with the US concerning the proposed changes and their implications for the US commitments under the GPA. To inform New Zealand's approach to those discussions and understand the impact on New Zealand exporters, the Ministry of Foreign Affairs and Trade and the Ministry of Business, Innovation and Employment wish to engage with potentially affected exporters.

In particular, we would appreciate the following information:

- a. If you currently sell, or have future plans to sell, any of the listed products directly to the US federal government, what is the impact on your business of the US action – in particular, what US government agencies do you sell to and what is the value of any exports affected; and
- b. If you sell to an intermediary that sells to the US federal government, what is the potential impact on your business if your intermediary will buy only products that are made in the US – and what is the value of these exports.

Email exports@mfat.net with information about the potential impacts on your business or any queries you may have about this change by the US to its commitments by the end of February 2021.

More reports

View full list of market reports from MFAT at www.mfat.govt.nz/market-reports

If you would like to request a topic for reporting please email exports@mfat.net

To contact the Export Helpdesk

Email exports@mfat.net

Call 0800 824 605

Visit Tradebarriers.govt.nz

Disclaimer

This information released in this report aligns with the provisions of the Official Information Act 1982. The opinions and analysis expressed in this report are the author's own and do not necessarily reflect the views or official policy position of the New Zealand Government. The Ministry of Foreign Affairs and Trade and the New Zealand Government take no responsibility for the accuracy of this report.

